

**SCHOOL DISTRICT OF THE  
BOROUGH OF ENGLEWOOD CLIFFS  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

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School District  
of

# Englewood Cliffs

**ENGLEWOOD CLIFFS PUBLIC SCHOOLS**  
Englewood Cliffs, New Jersey

**Comprehensive Annual Financial Report**  
Year Ended June 30, 2014

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# **Comprehensive Annual Financial Report**

**of the**

**ENGLEWOOD CLIFFS PUBLIC SCHOOLS  
Englewood Cliffs, New Jersey**

**Year Ended June 30, 2014**

**Prepared by**

**Mary Welfel  
Board Secretary/Business Administrator**

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## OUTLINE OF CAFR

### INTRODUCTORY SECTION

Letter of Transmittal .....	1
Organizational Chart .....	5
Roster of Officials .....	6
Consultants and Advisors .....	7

### FINANCIAL SECTION

Independent Auditor's Report .....	8
Required Supplementary Information - Part I	
Management's Discussion and Analysis .....	12

#### BASIC FINANCIAL STATEMENTS

##### A. District-wide Financial Statements:

A-1	Statement of Net Position .....	21
A-2	Statement of Activities .....	22

##### B. Fund Financial Statements:

###### Governmental Funds:

B-1	Balance Sheet .....	23
B-2	Statement of Revenues, Expenditures and Changes in Fund Balances .....	24
B-3	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	25

###### Proprietary Funds:

B-4	Statement of Net Position .....	26
B-5	Statement of Revenues, Expenses and Changes in Fund Net Position .....	27
B-6	Statement of Cash Flows .....	28

###### Fiduciary Funds:

B-7	Statement of Fiduciary Net Position .....	29
B-8	Statement of Changes in Fiduciary Net Position .....	30

Notes to the Financial Statements .....	31
---	----

## OUTLINE OF CAFR

### Required Supplementary Information - Part II

#### C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund .....	54
C-1a	Not Applicable	
C-2	Budgetary Comparison Schedule - Special Revenue Fund .....	62

#### Notes to the Required Supplementary Information

C-3	Budgetary Comparison Schedule .....	63
-----	-------------------------------------	----

#### Other Supplementary Information

#### D. School Level Schedules:

Not Applicable

#### E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis .....	64
E-2	Not Applicable	
E-3	Not Applicable	
E-4	Not Applicable	
E-5	Not Applicable	

#### F. Capital Projects Fund:

F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis .....	65
F-1a	Schedule of Project Revenues, Expenditures, Project Balances and Project Status - Budgetary Basis - Renovations - North Cliff School .....	66
F-1b	Schedule of Project Revenues, Expenditures, Project Balances and Project Status - Budgetary Basis - Renovations - Upper School .....	67
F-2	Summary Statement of Project Expenditures .....	68



## OUTLINE OF CAFR

### G. Proprietary Funds:

#### Enterprise Fund:

G-1	Combining Statement of Net Position .....	69
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	70
G-3	Combining Statement of Cash Flows .....	71

#### Internal Service Fund:

Not Applicable

### H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position .....	72
H-2	Combining Statement of Changes in Fiduciary Net Position .....	73
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements .....	74
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements .....	75

### I. Long-Term Debt:

I-1	Statement of Serial Bonds .....	76
I-2	Budgetary Comparison Schedule - Debt Service Fund .....	77

### J. Statistical Section (Unaudited)

#### Financial Trends

J-1	Net Position by Component .....	78
J-2	Changes in Net Position .....	79
J-3	Fund Balances - Governmental Funds .....	82
J-4	Changes in Fund Balances - Governmental Funds .....	83
J-5	General Fund - Other Local Revenue by Source .....	85

#### Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property .....	86
J-7	Direct and Overlapping Property Tax Rates .....	87
J-8	Principal Property Taxpayers .....	88
J-9	Property Tax Levies and Collections .....	89

## OUTLINE OF CAFR

### Debt Capacity

J-10	Ratios of Outstanding Debt by Type .....	90
J-11	Ratios of General Bonded Debt Outstanding .....	91
J-12	Direct and Overlapping Governmental Activities Debt .....	92
J-13	Legal Debt Margin Information .....	93

### Demographic and Economic Information

J-14	Demographic and Economic Statistics .....	94
J-15	Principal Employers .....	95

### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program .....	96
J-17	Operating Statistics .....	97
J-18	School Building Information .....	98
J-19	Schedule of Required Maintenance Expenditures for School Facilities .....	99
J-20	Insurance Schedule .....	100

## K. SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	103
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular Letter 04-04 ....	105
K-3	Schedule of Expenditures of Federal Awards - Schedule A .....	108
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B .....	109
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance .....	110
K-6	Schedule of Findings and Questioned Costs .....	112
K-7	Summary Schedule of Prior Audit Findings .....	114

## INTRODUCTORY SECTION

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143 Charlotte Place  
Englewood Cliffs, NJ 07632-2681  
Telephone (201) 567-7292 \* FAX: (201) 567-2738

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Robert Kravitz  
Superintendent of Schools

Mary Welfel  
Business Administrator/Board Secretary

October 3, 2014

Honorable President and  
Members of the Board of Education  
Englewood Cliffs School District  
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Englewood Cliffs School District (District) for the fiscal year ending June 30, 2014 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentations, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the basic financial statements, management's discussion and analysis and the independent auditor's report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular Letter A-133, "Audits of State and Local Governments", and the Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments".

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings recommendations are included in the single audit section of the report.

**1) Reporting Entity and Its Services:** The Englewood Cliffs School District is an independent reporting entity with the criteria adopted by GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Englewood Cliffs Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of services appropriate to grade level Pre-K through 8. These programs include regular and inclusive special education services for handicapped children. The district completed the 2013-2014 fiscal year with an average daily enrollment of 523 students, which represents 26 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

### **Average Daily Enrollment**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2013-2014	523	5.2
2012-2013	497	-2.4
2011-2012	509	12.6
2010-2011	452	.9
2009-2010	448	4.4
2008-2009	429	.9

**2) Economic Conditions and Outlook:** The tax revenue producing areas of Englewood Cliffs have limited growth. Given the current economic climate, it can be expected that this will continue to have an impact on the district's revenues for the foreseeable future.

**3) Major Initiatives:** Our District has had two years of building our infrastructure. We define this as our new foreign language immersion program, departmentalizing our academic areas in grades 3-8, beginning professional development in International Baccalaureate curriculum and continuing to increase the use of technology in our everyday curriculum.

With all of the initiatives it is now time for us to begin tracking the progress of these programs and refine our current programs to insure the success of each child in our district. With an international approach and the programs in place, the Englewood Cliffs School district is positioned to be a leader in educational reform movement.

**4) Internal Accounting Controls:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft and misuse and to ensure that adequate accounting data are compiled to allow for the presentation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits

likely to be derived and (2) the valuation of costs and benefits require estimate and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**5) Budgetary Controls:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchasing commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be appropriated are reported as reservations of fund balance at June 30, 2014.

**6) Cash Management:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The district has adopted a cash management plan which requires it to deposit public funds depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA") GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with failing banking institutions in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

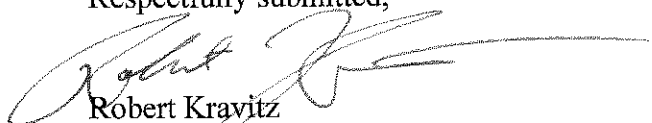
**7) Risk Management:** The Board carries various forms of insurance, including but not limited to general liability, hazards and theft insurance on property and contents, fidelity bonds, and student accident. The Board participates in a self-insurance pool (43 school districts) for workers compensation as a member of the Northeast Bergen County School Board Insurance Group.

**8) Other Information - Independent Audit:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A. was selected by the Board. In addition to meeting requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combined and individual fund statement and schedules is included in the


financial section of this report. The auditor's report relates specifically to the single audits are included in the single audit section of this report.

**9) Acknowledgements:** We would like to express our appreciation to the members of the Englewood Cliffs School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Robert Kravitz  
Superintendent of Schools



Mary Welfel  
Business Administrator/  
Board Secretary



**ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ORGANIZATIONAL CHART  
UNIT CONTROL**

**BOARD OF EDUCATION**

**Mr. Robert L. Kravitz, Superintendant**

**Principal**

Mr. Robert L. Kravitz  
Cliff Schools

**Board Secretary/Business Administrator**

Mrs. Mary Welfel

**Supervisor of Curriculum**

Ms. Jennifer Brower

**Supervisor of Guidance**

Mrs. Gina Edone

**Supervisor of Technology**

Mrs. Teresa DiVincent

**Supervisor of Child Study Team**

Mrs. Dawn Smith

**ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ENGLEWOOD CLIFFS, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2014**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Frank Patti, President	2016
Shanna Jafri, Vice President	2015
Joseph Luppino	2014
Gina Enriquez	2016
George Drimones	2015
Gerard Misk	2015
Eugene Chang	2014
Marisa Pichigian	2014
Carmelo Calabro	2016

**Other Officials**

Robert L. Kravitz, Superintendent

Mary Welfel, Board Secretary/Business Administrator

Joseph Iannoconi, Jr., Treasurer of School Monies

Stephen R. Fogarty, Esq., Solicitor

**ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ENGLEWOOD CLIFFS, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.  
401 Wanaque Avenue  
Pompton Lakes, NJ 07442

**ATTORNEY**

Fogarty & Hara  
Attorneys at Law  
16-00 Route 208 South  
Fair Lawn, New Jersey 07410

**OFFICIAL DEPOSITORY**

Connect One Bank  
180 Sylvan Avenue  
Englewood Cliffs, New Jersey 07632

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## **FINANCIAL SECTION**

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# **Ferraioli, Wielkottz, Cerullo & Cuva, P.A.**

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
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Newton Office  
100B Main Street  
Newton, N.J. 07860  
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Fax 973-579-7128

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and  
Members of the Board of Education  
Borough of Englewood Cliffs School District  
County of Bergen, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Englewood Cliffs School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Englewood Cliffs Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Honorable President and  
Members of the Board of Education  
Page 3.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Englewood Cliffs Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.


#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2014 on our consideration of the Borough of Englewood Cliffs Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to



Honorable President and  
Members of the Board of Education  
Page 4.

describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Englewood Cliffs Board of Education's internal control over financial reporting and compliance.



Steven D. Wielkottz, C.P.A.  
Licensed Public School Accountant  
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 3, 2014



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

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**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED**

The discussion and analysis of the Borough of Englewood Cliffs Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

- In total, net position decreased \$237,962. Net position of governmental activities decreased \$237,826 and net position of business-type activity decreased by \$136.
- General revenues accounted for \$12,025,808 in revenue or 98 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$249,608 or 2 percent of total revenues of \$12,275,416.
- The School District had \$12,507,496 in expenses related to governmental activities; only \$243,862 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$12,025,808 were adequate to provide for these programs.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

**District-Wide Financial Statements**

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED, (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

Both of the district-wide financial statements distinguish functions of the Borough of Englewood Cliffs Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

In the *Statement of Net Position and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-type Activity** – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Special Milk Fund is reported as a business activity.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Englewood Cliffs Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

**Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED, (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

The Borough of Englewood Cliffs Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue, capital projects funds, and debt service funds, which are both considered to be major funds.

The Borough of Englewood Cliffs Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general, special revenue, and debt service funds to demonstrate compliance with their budgets.

**Proprietary Funds**

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Borough of Englewood Cliffs Board of Education uses proprietary funds to account for its special milk program.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED, (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net position was \$4,439,332 at June 30, 2014. Of this amount, \$204,150 was in unrestricted balances. Restricted net position is reported separately to show legal constraints that limit the School District's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the School District.

**Table 1**

**Net Position  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Assets</b>						
Current and Other Assets	3,115,222	3,434,376	1,309	801	3,116,531	3,435,177
Capital Assets	<u>4,224,540</u>	<u>4,311,883</u>	—	<u>69</u>	<u>4,224,540</u>	<u>4,311,952</u>
Total Assets	<u>7,339,762</u>	<u>7,746,259</u>	<u>1,309</u>	<u>870</u>	<u>7,341,071</u>	<u>7,747,129</u>
<b>Liabilities</b>						
Other Liabilities	56,876	33,512	575	—	57,451	33,512
Noncurrent Liabilities	<u>2,844,288</u>	<u>3,036,323</u>	—	—	<u>2,844,288</u>	<u>3,036,323</u>
Total Liabilities	<u>2,901,164</u>	<u>3,069,835</u>	<u>575</u>	—	<u>2,901,739</u>	<u>3,069,835</u>
<b>Net Position</b>						
Invested in Capital Assets-						
Net of Related Debt	1,773,540	1,615,883	—	69	1,773,540	1,615,952
Restricted	2,461,642	2,427,845	—	—	2,461,642	2,427,845
Unrestricted	<u>203,416</u>	<u>632,696</u>	<u>734</u>	<u>801</u>	<u>204,150</u>	<u>633,497</u>
Total Net Position	<u>4,438,598</u>	<u>4,676,424</u>	<u>734</u>	<u>870</u>	<u>4,439,332</u>	<u>4,677,294</u>



**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED, (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

**Table 2**

**Changes in Net Position  
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales			2,631	2,047	2,631	2,047
Operating Grants and Contributions	243,862	231,429	3,115	2,327	246,977	233,756
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	10,076,190	9,878,618			10,076,190	9,878,618
Property taxes, levied for debt service	258,547	257,802			258,547	257,802
Federal and State Aid not Restricted	1,307,200	1,280,176			1,307,200	1,280,176
Tuition Received	91,083	248,861			91,083	248,861
Miscellaneous Income	5,488	8,180			5,488	8,180
Cancellations	<u>287,300</u>				<u>287,300</u>	
Total Revenues and Transfers	<u>12,269,670</u>	<u>11,905,066</u>	<u>5,746</u>	<u>4,374</u>	<u>12,275,416</u>	<u>11,909,440</u>

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED, (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	4,024,684	3,301,980			4,024,684	3,301,980
Special Education	1,109,731	1,053,436			1,109,731	1,053,436
Other Special Instruction	311,881	375,651			311,881	375,651
Other Instruction	4,758	10,599			4,758	10,599
Support Services:						
Tuition	669,693	729,025			669,693	729,025
Student & Instruction Related Services	2,471,219	2,310,222			2,471,219	2,310,222
General Administrative Services	349,291	388,293			349,291	388,293
School Administrative Services	157,084	223,647			157,084	223,647
Central Administration	317,435	257,900			317,435	257,900
Administrative Information Technology	81,329	101,899			81,329	101,899
Plant Operations and Maintenance	1,134,175	1,040,444			1,134,175	1,040,444
Pupil Transportation	691,206	776,161			691,206	776,161
Unallocated Benefits	762,093	728,928			762,093	728,928
Capital Outlay - nondepreciable	322,369	4,203			322,369	4,203
Food Service			5,882	4,364	5,882	4,364
Debt Service:						
Interest and Other Charges	<u>100,548</u>	<u>108,231</u>	<u>      </u>	<u>      </u>	<u>100,548</u>	<u>108,231</u>
Total Expenses	<u>12,507,496</u>	<u>11,410,619</u>	<u>5,882</u>	<u>4,364</u>	<u>12,513,378</u>	<u>11,414,983</u>
Increase or (Decrease) in						
Net Position	<u>(237,826)</u>	<u>494,447</u>	<u>(136)</u>	<u>10</u>	<u>(237,962)</u>	<u>494,457</u>

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED, (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

**Governmental and Business- Activities**

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$12,513,378. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$10,334,737 because some of the cost was paid by those who benefitted from the programs \$2,631, by other governments and organizations who subsidized certain programs with grants and contributions \$246,977, and by miscellaneous sources \$1,691,071.

Revenues for the District's business-type activities (special milk program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Special milk expenses exceeded revenues by \$136.
- ✓ Charges for services provided totaled \$2,631. This represents amounts paid by consumers for daily milk purchases.
- ✓ Federal and state reimbursement for milks served was \$3,115.

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2014, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$99,341 for increases in federal and state grant awards.

**General Fund**

The general fund actual revenue was \$11,479,513. That amount is \$792,238 above the final amended budget of \$10,687,275. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$709,128 for TPAF social security reimbursements and on-behalf pension payments, \$145,661 for additional extraordinary state aid, and (\$62,551) for decreases in miscellaneous anticipated revenues excess in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$12,111,215 which is \$257,694 above the final amended budget of \$11,353,521. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$709,128 and \$451,434 of unexpended budgeted funds.

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED, (CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)**

**Special Revenue Fund**

The special revenue fund actual revenue was \$155,425. That amount is above the original budget estimate of \$80,000 and below the final amended budget. The \$99,341 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$23,916 variance between the final amended budget and the June 30, 2014 actual results was due to the deferral of Federal grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special revenue fund were \$155,425, which is above the original budget of \$80,000 and below the final amended budget. The \$99,341 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$23,916 variance between the final amended budget and the June 30, 2014 actual results was due to the anticipation of fully expending federal grant programs. Expenditures will be incurred in the next fiscal year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2014 the School District had \$9,112,863 invested in sites, buildings and equipment. Of this amount, \$4,888,323 in depreciation has been taken over the years. We currently have a net book value of \$4,224,540. Total additions for the year were \$240,528 for building improvements and machinery and equipment. Table 3 shows fiscal year 2014 balances compared to 2013.

**Table 3  
Capital Assets at June 30,  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Site Improvements	75,174	92,594			75,174	92,594
Buildings and Building Improvements	4,085,817	4,123,462			4,085,817	4,123,462
Machinery and Equipment	<u>63,549</u>	<u>95,827</u>	<u>—</u>	<u>69</u>	<u>63,549</u>	<u>95,896</u>
	<u>4,224,540</u>	<u>4,311,883</u>	<u>0</u>	<u>69</u>	<u>4,224,540</u>	<u>4,311,952</u>

**BOROUGH OF ENGLEWOOD CLIFFS BOARD OF EDUCATION  
ENGLEWOOD CLIFFS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED, (CONTINUED)**

**Debt Administration**

At June 30, 2014, the district had \$2,844,288 of outstanding debt. Of this amount, \$393,288 is for compensated absences and \$2,451,000 in school bonds payable.

**Table 4  
Outstanding Serial Bonds at June 30,**

	<u>2014</u>	<u>2013</u>
2006 School Bonds	<u>2,451,000</u>	<u>2,696,000</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

Due to the current state of the economy in New Jersey and across the country, our economic outlook is not as bright as we would hope. This economic reality will have an impact on our ability to advance our program and educational goals. These factors will be considered in preparing the Borough of Englewood Cliffs Board of Education's budget for the 2014-2015 fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Borough of Englewood Cliffs Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Mary Welfel  
School Business Administrator/Board Secretary  
Borough of Englewood Cliffs Board of Education  
143 Charlotte Place  
Englewood Cliffs, New Jersey 07632

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## **BASIC FINANCIAL STATEMENTS**

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## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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## ENGLEWOOD CLIFFS BOARD OF EDUCATION

## Statement of Net Position

June 30, 2014

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	511,722	1,010	512,732
Receivables, net	330,752	299	331,051
Restricted assets:			
Various reserve accounts - cash	2,272,748		2,272,748
Capital assets, net:			
Other capital assets, net	4,224,540		4,224,540
Total Assets	<u>7,339,762</u>	<u>1,309</u>	<u>7,341,071</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	32,272	575	32,847
Payable to state government	604		604
Unearned revenue	24,000		24,000
Noncurrent liabilities:			
Due within one year	260,000		260,000
Due beyond one year	2,584,288		2,584,288
Total liabilities	<u>2,901,164</u>	<u>575</u>	<u>2,901,739</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	1,773,540		1,773,540
Restricted for:			
Capital Projects	1,960,513		1,960,513
Other Purposes	501,129		501,129
Unrestricted (Deficit)	203,416	734	204,150
Total net position	<u>4,438,598</u>	<u>734</u>	<u>4,439,332</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	3,229,683	795,001		144,557		(3,880,127)		(3,880,127)
Special education	857,586	252,145				(1,109,731)		(1,109,731)
Other special instruction	239,511	72,370				(311,881)		(311,881)
Other instruction	4,758					(4,758)		(4,758)
Support services:								
Tuition	669,693					(669,693)		(669,693)
Student & instruction related services	2,001,914			9,408		(2,461,811)		(2,461,811)
School administrative services	115,084					(157,084)		(157,084)
General administrative services	307,513					(349,291)		(349,291)
Central services	254,243					(317,435)		(317,435)
Administrative info. tech. services	81,329					(81,329)		(81,329)
Plant operations and maintenance	746,890					(1,134,175)		(1,134,175)
Pupil transportation	673,338					(691,206)		(691,206)
Unallocated benefits	762,093					(762,093)		(762,093)
Capital Outlay - non-depreciable	322,369			1,460		(320,909)		(320,909)
Debt Services:								
Interest and other Charges	100,548			88,437		(12,111)		(12,111)
Total governmental activities	10,366,552	2,140,944	-	243,862	-	(12,263,634)	-	(12,263,634)
Business-type activities:								
Special Milk Fund	5,882		2,631	3,115	-		(136)	(136)
Total business-type activities	5,882		2,631	3,115	-		(136)	(136)
Total primary government	10,372,434		2,631	246,977	-	(12,263,634)	(136)	(12,263,770)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						10,076,190		10,076,190
Property taxes, levied for debt services						258,547		258,547
Federal and State aid not restricted						1,307,200		1,307,200
Tuition						91,083		91,083
Miscellaneous income						5,488		5,488
Cancellations						287,300		287,300
Total general revenues, special items, extraordinary items and transfers						12,025,808		12,025,808
Change in Net Position						(237,826)	(136)	(237,962)
Net Position—beginning						4,676,424	870	4,677,294
Net Position—ending						4,438,598	734	4,439,332

The accompanying Notes to Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

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**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	322,224	604	188,894	511,722
Receivables, state	330,752			330,752
Restricted cash and cash equivalents	2,272,748			2,272,748
Total assets	<u>2,925,724</u>	<u>604</u>	<u>188,894</u>	<u>3,115,222</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	402			402
Payable to state government		604		604
Unearned revenue	24,000			24,000
Total liabilities	<u>24,402</u>	<u>604</u>	<u>-</u>	<u>25,006</u>
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year				-
Excess Surplus - Designated for Subsequent Year's Expenditures				-
Maintenance reserve	251,129			251,129
Emergency reserve	250,000			250,000
Capital reserve account	1,771,619			1,771,619
Capital projects			188,894	188,894
Assigned to:				
Other Purposes	335,442			335,442
Unassigned:				
General fund	293,132			293,132
Total Fund balances	<u>2,901,322</u>	<u>-</u>	<u>188,894</u>	<u>3,090,216</u>
Total liabilities and fund balances	<u>2,925,724</u>	<u>604</u>	<u>188,894</u>	

Amounts reported for *governmental activities* in the statement of  
net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$9,110,863 and the accumulated depreciation is \$4,886,323.	4,224,540
Accrued interest on serial bonds payable is not due and payable in the current period and is not reported as a liability in the funds	(31,870)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 3)	<u>(2,844,288)</u>
Net assets of governmental activities	<u>4,438,598</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	10,076,190			258,547	10,334,737
Tuition	91,083				91,083
Miscellaneous	5,040		448		5,488
Total - Local Sources	10,172,313	-	448	258,547	10,431,308
State sources	1,307,200	11,962		88,437	1,407,599
Federal sources		143,463			143,463
Total revenues	11,479,513	155,425	448	346,984	11,982,370
<b>EXPENDITURES</b>					
Current:					
Regular instruction	3,085,126	144,557			3,229,683
Special education instruction	857,586				857,586
Other special instruction	239,511				239,511
Other instruction	4,758				4,758
Support services and undistributed costs:					
Tuition	669,693				669,693
Student & instruction related services	1,992,506	9,408			2,001,914
School administrative services	115,084				115,084
General administrative services	307,513				307,513
Central Services	254,243				254,243
Administrative information tech. services	81,329				81,329
Plant operations and maintenance	746,890				746,890
Pupil transportation	673,338				673,338
Unallocated benefits	1,813,073				1,813,073
On-behalf contributions	709,128				709,128
Capital Outlay	561,437	1,460			562,897
Debt Service:					
Principal				245,000	245,000
Interest and other Charges				101,984	101,984
Total expenditures	12,111,215	155,425	-	346,984	12,613,624
Excess (Deficiency) of revenues over expenditures	(631,702)	-	448	-	(631,254)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	448				448
Transfers Out			(448)		(448)
Cancellation - Capital Outlay to Capital Reserve	287,300				287,300
Total other financing sources and uses	287,748	-	(448)	-	287,300
Net change in fund balances	(343,954)	-	-	-	(343,954)
Fund balance—July 1	3,245,276		188,894		3,434,170
Fund balance—June 30	2,901,322	-	188,894	-	3,090,216

The accompanying Notes to Financial Statements are an integral part of this statement.



**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2014**

**Total net change in fund balances - governmental funds (from B-2)** (343,954)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(327,871)	
Depreciable Capital outlays	<u>240,528</u>	
		(87,343)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:

Principal payment on serial bonds	245,000
-----------------------------------	---------

In the statement of activities, interest on long-term debt is accrued, regardless of when due.

In the governmental funds, interest is reported when due. The accrued interest is a subtraction in the reconciliation.(-)

1,436

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase in compensated absences payable	(52,965)
--	----------

**Change in net assets of governmental activities**

(237,826)

The accompanying Notes to Financial Statements are an integral part of this statement.

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	<u>Special Milk Program</u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	1,010
Accounts receivable:	
Federal	<u>299</u>
Total current assets	<u>1,309</u>
Noncurrent assets:	
Capital assets:	
Equipment	2,000
Less accumulated depreciation	<u>(2,000)</u>
Total capital assets (net of accumulated depreciation)	<u>-</u>
Total assets	<u><u>1,309</u></u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts Payable	<u>575</u>
Total current liabilities	<u>575</u>
<b><u>NET POSITION</u></b>	
Unrestricted	<u>734</u>
Total net position	<u><u>734</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Exhibit B-5

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Special Milk Program</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	2,631
Total operating revenues	<u>2,631</u>
 Operating expenses:	
Cost of sales	4,713
Salaries	1,100
Depreciation	69
Total Operating Expenses	<u>5,882</u>
Operating income (loss)	<u>(3,251)</u>
 Nonoperating revenues (expenses):	
Federal sources:	
Special milk program	3,115
Total nonoperating revenues (expenses)	<u>3,115</u>
Change in net position	(136)
Total net position-beginning	<u>870</u>
Total net position—ending	<u><u>734</u></u>

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Special Milk Program</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	2,631
Payments for milk purchases	<u>(5,238)</u>
Net cash provided by (used for) operating activities	<u>(2,607)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Federal sources	<u>3,332</u>
Net cash provided by (used for) non-capital financing activities	<u>3,332</u>
Net increase (decrease) in cash and cash equivalents	725
Balances—beginning of year	<u>285</u>
Balances—end of year	<u><u>1,010</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	(3,251)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation and net amortization	69
Increase (decrease) in accounts payable	<u>575</u>
Total adjustments	<u>644</u>
Net cash provided by (used for) operating activities	<u><u>(2,607)</u></u>

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	21,582	39,824
Total assets	<u>21,582</u>	<u>39,824</u>
<b>LIABILITIES</b>		
Payable to student groups		5,657
Payroll deductions and withholdings		34,167
Total liabilities	<u>-</u>	<u>39,824</u>
<b>NET POSITION</b>		
Held in trust for unemployment claims and other purposes	<u>21,582</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Unemployment Compensation Trust Fund</u>
<b>ADDITIONS</b>	
Investment earnings:	
Interest	22
Net Investment earnings	22
Total additions	22
 Change in net position	 22
Net position - beginning of the year	21,560
Net position - end of the year	21,582

**The accompanying Notes to Financial Statements  
are an integral part of this statement.**

## **NOTES TO THE FINANCIAL STATEMENTS**

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**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Board of Education ("Board") of the Borough of Englewood Cliffs School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Englewood Cliffs School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education of the Borough of Englewood Cliffs School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**A. Basis of Presentation:**

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**District-wide Financial Statements:**

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

**Fund Financial Statements:**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Fund Financial Statements: (continued)**

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**General Fund** - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Fund Financial Statements: (continued)**

**GOVERNMENTAL FUNDS, (continued)**

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**PROPRIETARY FUNDS**

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Special Milk Program.

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, Student Activities Fund, Payroll and Payroll Agency Funds.

**B. Measurement Focus:**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus: (continued)**

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**C. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**C. Basis of Accounting: (continued)**

**Revenues - Exchange and Non-exchange Transactions, (continued)**

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education made additional appropriations of \$96,890 to regular programs - instruction from prior year extraordinary aid and \$12,354 to regular programs - instruction from additional nonpublic school transportation aid.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**D. Budgets/Budgetary Control: (continued)**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**E. Encumbrances:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**F. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**F. Cash, Cash Equivalents and Investments: (continued)**

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**G. Tuition Payable:**

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

**H. Inventories:**

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**J. Short-Term Interfund Receivables/Payables:**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.



**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**K. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**L. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**M. Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

**N. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**O. Fund Balances:**

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**O. Fund Balances: (continued)**

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**P. Net Position:**

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Q. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**R. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**S. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**T. Use of Estimates:**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**U. Recent Accounting Pronouncements:**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69, "Government Combinations and Disposals of Government Obligations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2014, \$-0- of the District's bank balance of \$3,310,686 was exposed to custodial credit

**Investments**

**Investment Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The District places no limit on the amount the District may invest in any one issuer.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2014, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Business- Type Activities</u>	<u>District Wide Financial Statements</u>
State Aid	\$330,452	\$	\$330,752
Federal Aid		<u>299</u>	<u>299</u>
Gross Receivables	330,452	299	331,051
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$330,452</u>	<u>\$299</u>	<u>\$331,051</u>

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets that are not being Depreciated:				
Land	\$	\$	\$	\$
Construction in Progress				
Total Capital Assets not being Depreciated				
Capital Assets Being Depreciated				
Site Improvements	348,399			348,399
Buildings and Building Improvements	8,023,106	228,438		8,251,544
Machinery and Equipment	<u>498,830</u>	<u>12,090</u>		<u>510,920</u>
Totals at Historical Cost	<u>8,870,335</u>	<u>240,528</u>		<u>9,110,863</u>
Less Accumulated Depreciation:				
Site Improvements	(255,805)	(17,420)		(273,225)
Buildings and Improvements	(3,899,644)	(266,083)		(4,165,727)
Equipment	<u>(403,003)</u>	<u>(44,368)</u>		<u>(447,371)</u>
Total Accumulated Depreciation	<u>(4,558,452)</u>	<u>(327,871)</u>		<u>(4,886,323)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>4,311,883</u>	<u>(87,343)</u>		<u>4,224,540</u>
Governmental Activities Capital Assets, Net	<u>\$4,311,883</u>	<u>(\$87,343)</u>	<u>\$</u>	<u>\$4,224,540</u>

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 5. CAPITAL ASSETS, (continued)**

	Balance 6/30/13	Additions	Deductions	Balance 6/30/14
<b>Business-Type Activity</b>				
Equipment	\$2,000	\$	\$	\$2,000
Less Accumulated Depreciation for:				
Equipment	(1,931)	(69)		(2,000)
Business-Type Activity Capital Assets, Net	<u>\$69</u>	<u>(\$69)</u>	<u>\$</u>	<u>\$0</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$11,585
Support Services:	
Instruction	18,018
School Administration	11,901
Operations and Maintenance	1,310
Business and Other Support Service	1,554
Buildings	18,480
Building Improvements	247,603
Land Improvements	<u>17,420</u>
Total Depreciation Expense	<u>\$327,871</u>

**NOTE 6. LONG-TERM OBLIGATION ACTIVITY**

Changes in long-term obligations for the year ended June 30, 2014 were as follows:

	Balance June 30, 2013	Issued	Retired	Balance June 30, 2014	Amount Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Debt	<u>\$2,696,000</u>	\$	(\$245,000)	<u>\$2,451,000</u>	<u>\$260,000</u>
Total Bonds Payable	2,696,000		(245,000)	2,451,000	260,000
Other Liabilities:					
Compensated Absences Payable	<u>340,323</u>	<u>113,258</u>	<u>(60,293)</u>	<u>393,288</u>	
Total Other Liabilities	<u>\$3,036,323</u>	<u>\$113,258</u>	<u>(\$305,293)</u>	<u>\$2,844,288</u>	<u>\$260,000</u>

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 6. LONG-TERM OBLIGATION ACTIVITY, (continued)**

**A. Bonds and Loans Payable:**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligations bonds.

Outstanding bonds payable at June 30, 2014, consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2014</u>
School Improvement Bonds 2006	\$3,956,000	11/01/2006	3.75%-4.00%	08/15/2021	<u>\$2,451,000</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2015	\$352,515	\$260,000	\$92,515
2016	352,240	270,000	82,240
2017	356,140	285,000	71,140
2018	359,440	300,000	59,440
2019	362,140	315,000	47,140
2020-2022	<u>1,082,900</u>	<u>1,021,000</u>	<u>61,900</u>
	<u>\$2,865,375</u>	<u>\$2,451,000</u>	<u>\$414,375</u>

**B. Bonds Authorized But Not Issued:**

As of June 30, 2014 the Board had authorized but not issued bonds of \$190.

**NOTE 7. OPERATING LEASES**

The District has entered into various operating leases for copying equipment and computers which expire in 2017. Total operating lease payments made during the year ended June 30, 2014 were \$97,200. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2015	\$77,525
June 30, 2016	75,343
June 30, 2017	<u>74,881</u>
	<u>\$227,749</u>



**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 8. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Defined Contribution Retirement Program (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement

**Borough of Englewood Cliffs School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 8. PENSION PLANS, (continued)**

after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation-** Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS and TPAF, effective July 12, 2002.

**Contribution Requirements** - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2014 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 8. PENSION PLANS, (continued)**

The Board's contribution to PERS and DCRP, equal to the required contributions for each year, were as follows:

<u>Year</u> <u>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/14	\$101,302	\$-0-
6/30/13	109,596	-0-
6/30/12	132,366	-0-

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal, post retirement benefits and NCGI Premium were as follows:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post- Retirement Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>
6/30/14	\$140,211	\$250,185	\$12,376
6/30/13	199,154	237,040	10,478
6/30/12	105,338	234,481	11,304

During the year ended June 30, 2014, the State of New Jersey contributed \$402,772 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$306,356 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

**NOTE 9. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2013, the State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members.

**NOTE 10. DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Equitable Equi-Vest	Facility Services
Washington National	Galic Disbursing Company
Valic	

**NOTE 11. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District remits contributions directly to the New Jersey Unemployment Trust Fund. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$22	\$	\$	\$21,582
2012-2013	22			21,560
2011-2012	81			21,538

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 12. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Borough of Englewood Cliffs Board of Education by inclusion of \$1.00 on October 2, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	\$1,722,491
Interest Earnings	1,828
Cancellations - Capital Projects	287,300
Deposits - Approved via Board Resolution June 2, 2014	85,000
Withdrawal from capital reserve	<u>(325,000)</u>
Ending balance, June 30, 2014	<u>\$1,771,619</u>

**NOTE 13. MAINTENANCE RESERVE ACCOUNT**

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (*N.J.A.A. 18A:7G-9*). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

Section 6 of *N.J.S.A. 18A:7F-41(a)* and *41(b)* provides that a district may supplement a maintenance reserve account by board resolution at year end for any unanticipated revenue and/or unexpended line item appropriations.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 13. MAINTENANCE RESERVE ACCOUNT, (continued)**

The activity of the Maintenance Reserve Account for July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	\$250,878
Interest Earnings	<u>251</u>
Ending balance, June 30, 2014	<u>\$251,129</u>

**NOTE 14. EMERGENCY RESERVE ACCOUNT**

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the Emergency Reserve Account for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	<u>\$250,000</u>
Ending balance, June 30, 2014	<u>\$250,000</u>

**NOTE 15. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$2,901,322 General Fund fund balance at June 30, 2014, \$335,442 is reserved for encumbrances; \$1,771,619 has been reserved in the Capital Reserve Account; \$251,129 has been reserved in the Maintenance Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; and \$293,132 is unreserved and undesignated.

**Borough of Englewood Cliffs School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 16. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance for the year ended June 30, 2014 is \$-0-.

**NOTE 17. CONTINGENT LIABILITIES**

**Grant Programs** - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**Litigation** - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

In October 2014, it has come to the attention of the Board's attorney that the Board must include a contingent liability, in the amount of \$596,484, involving a tuition dispute with the Englewood Board of Education for the 2014-2015 school year. This amount is as a result of the State's determination that Englewood Cliffs' students who are attending the Academies at Englewood do not qualify as "Choice" students for purposes of State aid reimbursement, thereby requiring Englewood Cliffs to pay Englewood tuition under the former Sending-Receiving Agreement at the rate of approximately \$17,000 per pupil. While the Board intends to appeal this determination, the appeal must be filed with the New Jersey Department of Education, Division of Finance, which agency is responsible for the decision that the Board is appealing. As such, it is difficult to predict the ultimate outcome of the appeal. It is, therefore, our opinion that the Board must establish a contingent liability in their 2014-2015 school budget in the event they must satisfy this tuition liability.

**NOTE 18. SUBSEQUENT EVENTS**

The Board has evaluated subsequent events through October 3, 2014, the date which the financial statements were available to be issued and no other items were noted for disclosure.

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**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

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## **BUDGETARY COMPARISON SCHEDULES**

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## Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	10,076,190		10,076,190	10,076,190	
Tuition	139,400		139,400	91,083	(48,317)
Unrestricted Miscellaneous Revenues	17,274		17,274	2,961	(14,313)
Interest Earned on Maintenance Reserve				251	251
Interest Earned on Capital Reserve Funds	2,000		2,000	1,828	(172)
<b>Total - Local Sources</b>	<u>10,234,864</u>		<u>10,234,864</u>	<u>10,172,313</u>	<u>(62,551)</u>
Revenues from State Sources:					
Categorical Special Education Aid	237,308		237,308	237,308	
Categorical Security Aid	7,650		7,650	7,650	
Categorical Transportation Aid	37,453		37,453	37,453	
Extraordinary Aid	170,000		170,000	315,661	145,661
TPAF Pension and Postretirement					
Medical Contribution (Non-Budgeted)				250,185	250,185
TPAF Pension and NCGI Premium (Non-Budgeted)				152,587	152,587
Reimbursed TPAF Social Security Contributions (non-budgeted)				306,356	306,356
<b>Total - State Sources</b>	<u>452,411</u>		<u>452,411</u>	<u>1,307,200</u>	<u>854,789</u>
<b>TOTAL REVENUES</b>	<u>10,687,275</u>		<u>10,687,275</u>	<u>11,479,513</u>	<u>792,238</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	287,668	(150,602)	137,066	137,065	1
Grades 1-5 - Salaries of Teachers	1,414,455	193,586	1,608,041	1,607,681	360
Grades 6-8 - Salaries of Teachers	607,369	230,637	838,006	838,005	1
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction		9,998	9,998	9,998	
Purchased Professional-Educational Services	25,000	(15,246)	9,754	9,622	132
Purchased Technical Services	15,115	30,041	45,156	42,736	2,420
Other Purchased Services (400-500 series)	96,352	(8,480)	87,872	86,786	1,086
General Supplies	198,348	99,362	297,710	282,823	14,887
Textbooks	48,800	(11,771)	37,029	37,028	1
Other Objects	30,301	3,202	33,503	33,382	121
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>2,723,408</u>	<u>380,727</u>	<u>3,104,135</u>	<u>3,085,126</u>	<u>19,009</u>

## Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	679,045	(16,542)	662,503	662,502	1
General Supplies	2,000	51	2,051	2,003	48
Other Salaries for Instruction		23,153	23,153	23,103	50
<b>Total Resource Room/Resource Center</b>	<b>681,045</b>	<b>6,662</b>	<b>687,707</b>	<b>687,608</b>	<b>99</b>
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	76,695	1,660	78,355	78,355	
Other Salaries for Instruction	33,285	32,583	65,868	65,868	
Professional Svcs-Educational Services	1,890	(1,890)			
<b>Total Preschool Disabilities - Full-Time</b>	<b>111,870</b>	<b>32,353</b>	<b>144,223</b>	<b>144,223</b>	
<b>Home Instruction</b>					
Salaries of Teachers	57,130	(30,475)	26,655	25,755	900
<b>Total Home Instruction</b>	<b>57,130</b>	<b>(30,475)</b>	<b>26,655</b>	<b>25,755</b>	<b>900</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>850,045</b>	<b>8,540</b>	<b>858,585</b>	<b>857,586</b>	<b>999</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	35,736	66,499	102,235	102,235	
Other Objects	50	(50)			
<b>Total Basic Skills/Remedial - Instruction</b>	<b>35,786</b>	<b>66,449</b>	<b>102,235</b>	<b>102,235</b>	
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	186,693	(49,404)	137,289	137,276	13
General Supplies	1,500	(1,500)			
<b>Total Bilingual Education - Instruction</b>	<b>188,193</b>	<b>(50,904)</b>	<b>137,289</b>	<b>137,276</b>	<b>13</b>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	1,500		1,500	1,350	150
Supplies and Materials	3,000	281	3,281	3,280	1
Other Objects		128	128	128	
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>4,500</b>	<b>409</b>	<b>4,909</b>	<b>4,758</b>	<b>151</b>
<b>Other Supplemental/At Risk Prog-Inst</b>					
Salaries of Reading Specialist	58,598	(58,598)			
<b>Total Other Supplemental/At Risk Prog-Inst</b>	<b>58,598</b>	<b>(58,598)</b>			
<b>TOTAL INSTRUCTION</b>	<b>3,860,530</b>	<b>346,623</b>	<b>4,207,153</b>	<b>4,186,981</b>	<b>20,172</b>

## Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular		675	675		675
Tuition to Other LEAs Within the State - Special	444,473	(198,463)	246,010	190,554	55,456
Tuition to County Voc. School Dist. - Regular	226,800		226,800	226,800	
Tuition to County Voc. School Dist. - Special	71,650	1	71,651	71,650	1
Tuition to CSSD & Regional Day Schools		49,010	49,010	47,502	1,508
Tuition to Private Schools for the Handicapped - Within State	118,508	(8,021)	110,487	79,860	30,627
Tuition to Priv Sch Disabled&Oth Lea's Spl,O/S St	73,691		73,691	53,327	20,364
<b>Total Undistributed Expenditures - Instruction:</b>	<b>935,122</b>	<b>(156,798)</b>	<b>778,324</b>	<b>669,693</b>	<b>108,631</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	72,189	(9,879)	62,310	62,310	
Purchased Professional and Technical Services	2,500	3,721	6,221	6,220	1
Salaries					
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>74,689</b>	<b>(6,158)</b>	<b>68,531</b>	<b>68,530</b>	<b>1</b>
<b>Undistrib. Expend. - Health Services</b>					
Salaries	131,456	2,513	133,969	133,969	
Purchased Professional and Technical Services		2,250	2,250	2,250	
Supplies and Materials	6,000	913	6,913	6,913	
<b>Total Undistributed Expenditures - Health Services</b>	<b>137,456</b>	<b>5,676</b>	<b>143,132</b>	<b>143,132</b>	
<b>Undistrib. Expend. - Speech, OT, PT &amp; Related Services</b>					
Salaries	95,868	1,066	96,934	96,934	
Purchased Prof. Services-Educational Services	410,293	(113,065)	297,228	270,095	27,133
Supplies and Materials	3,921	(402)	3,519	3,511	8
<b>Total Undistrib. Expend. - Speech, OT, PT &amp; Related Serv.</b>	<b>510,082</b>	<b>(112,401)</b>	<b>397,681</b>	<b>370,540</b>	<b>27,141</b>
<b>Undistrib. Expend. - Other Supp. Serv. Students-Extra. Serv.</b>					
Salaries	307,093	29,110	336,203	335,853	350
Purchased Prof. Services-Educational Services	103,945	(28,721)	75,224	75,224	
Supplies and Materials	1,500	(194)	1,306	1,306	
<b>Total Undistrib. Expend. -Other Supp. Serv. Students-Extra. Serv.</b>	<b>412,538</b>	<b>195</b>	<b>412,733</b>	<b>412,383</b>	<b>350</b>
<b>Undistrib. Expend. - Guidance</b>					
Salaries of Other Professional Staff	90,000	(5,454)	84,546	84,546	
Salaries of Secretarial and Clerical Assistants		1,021	1,021	1,020	1
Other Purchased Services (400-500 series)		658	658	658	
Supplies and Materials	6,523	(3,763)	2,760	2,760	
Other Objects		949	949	949	
<b>Total Undistrib. Expend. - Guidance</b>	<b>96,523</b>	<b>(6,589)</b>	<b>89,934</b>	<b>89,933</b>	<b>1</b>

## Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	224,778	78,641	303,419	303,419	
Salaries of Secretarial and Clerical Assistants	43,076	1,247	44,323	44,323	
Purchased Prof. Services-Educational Services		5,663	5,663	4,431	1,232
Other Purchased Prof. and Tech Services	38,290	15,339	53,629	44,635	8,994
Residential Costs	32,903	(393)	32,510	32,510	
Misc. Pur Services (400-500 Series O/tian Resid Costs)	5,652	(2,713)	2,940	2,855	85
Supplies and Materials	10,289	1,823	12,112	12,111	1
Other Objects	555	515	1,070	1,070	
	<u>355,543</u>	<u>100,122</u>	<u>455,665</u>	<u>445,354</u>	<u>10,311</u>
<b>Total Undist. Expend. - Child Study Teams</b>					
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Supervisors of Instruction	90,000	(19)	89,981	89,981	
Salaries of Other Professional Staff		77,075	77,075	77,074	1
Purchased Prof. Services-Educational Services	3,672	(3,560)	112	112	
Supplies and Materials	1,000	(225)	775	775	
	<u>94,672</u>	<u>73,271</u>	<u>167,943</u>	<u>167,942</u>	<u>1</u>
<b>Total Undist. Expend. - Improvement of Inst. Services</b>					
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	59,854	1,197	61,051	61,050	1
Salaries of Technology Coordinators	162,100	35,113	197,213	196,332	881
Purchased Professional and Technical Services	15,000	(5,847)	9,153	9,151	2
Other Purch Services (400-500)	225	482	707	667	40
Supplies and Materials	17,000	(7,890)	9,110	9,108	2
Other Objects	1,000	166	1,166	1,073	93
	<u>255,179</u>	<u>23,221</u>	<u>278,400</u>	<u>277,381</u>	<u>1,019</u>
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>					
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Salaries-Other Prof. Staff		4,121	4,121	4,120	1
Other Salaries		1,270	1,270	1,270	
Purchased Professional - Educational Service		3,097	3,097	3,096	1
Other Purchased Prof. and Tech. Services	20,000	(20,000)			
Other Purchased Services (400-500 series)	13,528	(4,703)	8,825	8,825	
	<u>33,528</u>	<u>(16,215)</u>	<u>17,313</u>	<u>17,311</u>	<u>2</u>
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>					



## Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	154,396	(12,875)	141,521	138,266	3,255
Legal Services	55,843	(20,040)	35,803	19,549	16,254
Audit Fees	40,000	500	40,500	20,000	20,500
Architectural/Engineering Services	29,297	15,710	45,007	33,205	11,802
Other Purchased Professional Services	15,750	(3,862)	11,888	11,137	751
Purchased Technical Services	1,125	(564)	561		561
Communications/Telephone	64,431	1,511	65,942	56,293	9,649
BOE Other Purchased Services		1,746	1,746	412	1,334
Misc. Purch Services (400-500 Series)	17,473	(6,512)	10,961	10,047	914
General Supplies	7,105	(2,688)	4,417	4,204	213
BOE In House Training/Meeting Supplies	450		450	321	129
Misc. Expenditures	4,000	(605)	3,395	3,316	79
BOE Membership Dues and Fees	10,000	763	10,763	10,763	
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>399,870</b>	<b>(26,916)</b>	<b>372,954</b>	<b>307,513</b>	<b>65,441</b>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	67,500	(51,843)	15,657		15,657
Salaries of Secretarial and Clerical Assistants	100,865	29,896	130,761	99,614	31,147
Other Purchased Services (400-500 series)	7,514	(52)	7,462	6,174	1,288
Supplies and Materials	11,414	1,943	13,357	5,564	7,793
Other Objects	3,000	1,027	4,027	3,732	295
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>190,293</b>	<b>(19,029)</b>	<b>171,264</b>	<b>115,084</b>	<b>56,180</b>
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	226,253	(22,257)	203,996	203,995	1
Purchased Professional Services	35,000	1,984	36,984	36,984	
Purchased Technical Services	7,000	(1,090)	5,910	5,910	
Misc. Pur Services (400-500 Series)	3,680	(1,286)	2,394	2,182	212
Supplies and Materials	6,285	(2,116)	4,169	3,957	212
Miscellaneous Expenditures	2,000	(529)	1,471	1,215	256
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<b>280,218</b>	<b>(25,294)</b>	<b>254,924</b>	<b>254,243</b>	<b>681</b>
<b>Undist. Expend. - Admin. Info. Tech</b>					
Purchased Professional Services	3,615	(1,055)	2,560	2,560	
Purchased Technical Services	63,451	(1,160)	62,291	49,116	13,175
Supplies and Materials	28,064	1,930	29,994	29,653	341
<b>Total Undist. Expend. - Admin. Info. Tech</b>	<b>95,130</b>	<b>(285)</b>	<b>94,845</b>	<b>81,329</b>	<b>13,516</b>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Salaries					
Cleaning, Repair and Maintenance Services	67,951	(15,332)	52,619	48,294	4,325
General Supplies	13,623	1,592	15,215	14,269	946
Other Objects	684		684	684	
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>82,258</b>	<b>(13,740)</b>	<b>68,518</b>	<b>63,247</b>	<b>5,271</b>

## Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Undist. Expend. - Custodial Services (262)</b>					
Salaries	264,393	35,012	299,405	299,402	3
Cleaning, Repair and Maintenance Services	18,722	(9,340)	9,382	5,907	3,475
Other Purchased Property Services	7,551	157	7,708	6,966	742
Insurance	35,000		35,000	35,000	
Miscellaneous Purchased Services	2,900	(399)	2,501	2,500	1
General Supplies	28,028	4,734	32,762	32,271	491
Energy (Energy and Electricity)	90,412	16,073	106,485	96,476	10,009
Other Objects	16,487	(14,651)	1,836	1,835	1
Salaries of Non-Instructional Aides	15,000	(6,220)	8,780	8,780	
Energy (Natural Gas)	59,000	4,082	63,082	61,669	1,413
	537,493	29,448	566,941	550,806	16,135
<b>Total Undist. Expend. - Custodial Services (262)</b>					
<b>Undist. Expend. - Care &amp; Upkeep of Grounds</b>					
Cleaning, Repair and Maintenance Services	18,800	20,268	39,068	33,068	6,000
General Supplies	2,000	4,696	6,696	6,696	
	20,800	24,964	45,764	39,764	6,000
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds</b>					
<b>Undist. Expend. - Security</b>					
Salaries		39,734	39,734	39,733	1
Cleaning, Repair and Maintenance Services	64,230	(25,915)	38,315	30,354	7,961
General Supplies	7,618	17,154	24,772	22,986	1,786
	71,848	30,973	102,821	93,073	9,748
<b>Total Undist. Expend. - Security</b>					
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries of Non-Instructional Aides	35,500	8,314	43,814	43,814	
Sal. For Pupil Trans (Bet Home & Sch)-Reg	26,265	(10,943)	15,322	15,321	1
Contr Serv. (Bet. Home and Sch) Vendors	11,498	(586)	10,912	10,912	
Contr Serv. (Oth than Bet. Home and Sch)-Vendors	29,820	(1,086)	28,734	27,236	1,498
Contr Serv. (Bet. Home & Sch) Joint Agrmnts	425,126	(33,504)	391,622	391,554	68
Contract Serv. (Sp Ed Stds)-Joint Agrmnts	161,000	(37,675)	123,325	122,619	706
Contract Serv -Aid in Lieu Pymts-NonPub Sch	63,330	228	63,558	61,882	1,676
	752,539	(75,252)	677,287	673,338	3,949
<b>Total Undist. Expend. - Student Transportation Services</b>					
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	115,000	21,073	136,073	136,072	1
Other Retirement Contributions-PERS	118,002	(13,191)	104,811	104,810	1
Unemployment Compensation	22,000	872	22,872	22,871	1
Workmen's Compensation	70,000	(1,710)	68,290	68,290	
Health Benefits	1,582,957	(126,883)	1,456,074	1,456,073	1
Tuition Reimbursement	20,983	(6,700)	14,283	14,282	1
Other Employee Benefits	1,000	69,968	70,968	10,675	60,293
	1,929,942	(56,571)	1,873,371	1,813,073	60,298
<b>TOTAL UNALLOCATED BENEFITS</b>					

Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
TPAF Pension and Postretirement					
Medical Contribution (Non-Budgeted)				250,185	(250,185)
TPAF Pension and NCGI Premium (Non-Budgeted)				152,587	(152,587)
Reimbursed TPAF Social Security Contributions (non-budgeted)				306,356	(306,356)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>709,128</u>	<u>(709,128)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>1,929,942</u>	<u>(56,571)</u>	<u>1,873,371</u>	<u>2,522,201</u>	<u>(648,830)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>7,265,723</u>	<u>(227,378)</u>	<u>7,038,345</u>	<u>7,362,797</u>	<u>(324,452)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>11,126,253</u>	<u>119,245</u>	<u>11,245,498</u>	<u>11,549,778</u>	<u>(304,280)</u>
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Grades 1-5	9,790		9,790	9,790	
Grades 6-8	6,270		6,270	6,270	
<b>Total Equipment</b>	<u>16,060</u>		<u>16,060</u>	<u>16,060</u>	
<b>Undist. Expenditures:</b>					
Admin Info Tech	33,622		33,622	33,622	
<b>Total Undist. Expend.</b>	<u>33,622</u>		<u>33,622</u>	<u>33,622</u>	
<b>Facilities Acquisition and Construction Services</b>					
Construction Services	554,873	(10,001)	544,872	506,960	37,912
Supplies & Materials	4,795	3,049	7,844	4,795	3,049
Assessment for Debt Service on SDA Funding	8,674	(3,049)	5,625		5,625
<b>Total Facilities Acquisition and Construction Services</b>	<u>568,342</u>	<u>(10,001)</u>	<u>558,341</u>	<u>511,755</u>	<u>46,586</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>618,024</u>	<u>(10,001)</u>	<u>608,023</u>	<u>561,437</u>	<u>46,586</u>
<b>TOTAL EXPENDITURES</b>	<u>11,744,277</u>	<u>109,244</u>	<u>11,853,521</u>	<u>12,111,215</u>	<u>(257,694)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,057,002)</u>	<u>(109,244)</u>	<u>(1,166,246)</u>	<u>(631,702)</u>	<u>534,544</u>

## Exhibit C-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Other Financing Sources/(Uses):</b>					
Transfers In:					
Capital Projects - Interest on Investments				448	
Cancellation - Capital Outlay to Capital Reserve				287,300	(287,300)
<b>Total Other Financing Sources/(Uses):</b>				287,748	(287,300)
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(1,057,002)	(109,244)	(1,166,246)	(343,954)	247,244
<b>Fund Balance, July 1</b>	3,272,960		3,272,960	3,272,960	
<b>Fund Balance, June 30</b>	<u>2,215,958</u>	<u>(109,244)</u>	<u>2,106,714</u>	<u>2,929,006</u>	<u>247,244</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(718,420)		(718,420)		
Adjustment for Prior Year Encumbrances					
Increase:					
Capital Reserve - Principal				85,000	(85,000)
Capital Reserve - Interest	2,000		2,000	1,828	172
Capital Reserve - Capital Projects Cancelled				287,300	(287,300)
Maintenance Reserve - Interest				251	(251)
Withdrawal from Capital Reserve	(325,000)		(325,000)	(325,000)	
Budgeted Fund Balance	<u>(15,582)</u>	<u>(109,244)</u>	<u>(124,826)</u>	<u>325,087</u>	<u>332,072</u>
	<u>(1,057,002)</u>	<u>(109,244)</u>	<u>(1,166,246)</u>	<u>(343,954)</u>	<u>(40,307)</u>
<b>Restricted Fund Balance:</b>					
Capital Reserve				1,771,619	
Maintenance Reserve				251,129	
Emergency Reserve				250,000	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances				335,442	
<b>Unassigned Fund Balance:</b>				<u>320,816</u>	
				2,929,006	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				27,684	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u>2,901,322</u>	

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	-	12,566	12,566	11,962	(604)
Federal Sources	80,000	86,775	166,775	143,463	(23,312)
<b>Total Revenues</b>	<b>80,000</b>	<b>99,341</b>	<b>179,341</b>	<b>155,425</b>	<b>(23,916)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Other Purchased Services (400-500 Series)	80,000	29,192	109,192	106,482	2,710
General Supplies		37,228	37,228	34,675	2,553
Textbooks		4,004	4,004	3,400	604
<b>Total instruction</b>	<b>80,000</b>	<b>70,424</b>	<b>150,424</b>	<b>144,557</b>	<b>5,867</b>
<b>Support services:</b>					
Miscellaneous Purchased Services		7,102	7,102	7,102	-
Supplies and Materials		20,355	20,355	2,306	18,049
<b>Total support services</b>	<b>-</b>	<b>27,457</b>	<b>27,457</b>	<b>9,408</b>	<b>18,049</b>
<b>Facilities acquisition and construction services:</b>					
Instructional Equipment		1,460	1,460	1,460	-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>1,460</b>	<b>1,460</b>	<b>1,460</b>	<b>-</b>
<b>Total Expenditures</b>	<b>80,000</b>	<b>99,341</b>	<b>179,341</b>	<b>155,425</b>	<b>23,916</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2014**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1],[C-2]	11,479,513	155,425
<b>Difference - budget to GAAP:</b>			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		27,684	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)		(27,684)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>11,479,513</u>	<u>155,425</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	12,111,215	155,425
<b>Differences - budget to GAAP</b>			
Encumbrances for supplies and equipment ordered but received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>12,111,215</u>	<u>155,425</u>

**SPECIAL REVENUE FUND**

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**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2014**

	Title II Part A - Basic	Title III, English, Language Acq. & Enhancement	IDEA Part Basic	IDEA Part B Preschool	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Services	N.J. Nonpublic Technology Aid	Totals 2014
<b>REVENUES</b>								
State Sources	2,306	34,675	103,142	3,340	3,400	7,102	1,460	11,962
Federal Sources								143,463
<b>Total Revenues</b>	<b>2,306</b>	<b>34,675</b>	<b>103,142</b>	<b>3,340</b>	<b>3,400</b>	<b>7,102</b>	<b>1,460</b>	<b>155,425</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Other Purchased Services (400-500 series)			103,142	3,340				106,482
General Supplies		34,675						34,675
Textbooks					3,400			3,400
<b>Total Instruction</b>	<b>-</b>	<b>34,675</b>	<b>103,142</b>	<b>3,340</b>	<b>3,400</b>	<b>-</b>	<b>-</b>	<b>144,557</b>
<b>Support Services:</b>								
Miscellaneous Purchased Services	2,306					7,102		7,102
Supplies and Materials								2,306
<b>Total support services</b>	<b>2,306</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,102</b>	<b>-</b>	<b>9,408</b>
<b>Facilities acquisition and const. serv.:</b>								
Instructional Equipment							1,460	1,460
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,460</b>	<b>1,460</b>
<b>Total Expenditures</b>	<b>2,306</b>	<b>34,675</b>	<b>103,142</b>	<b>3,340</b>	<b>3,400</b>	<b>7,102</b>	<b>1,460</b>	<b>155,425</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**CAPITAL PROJECTS FUND**

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**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance-Budgetary Basis**  
**Year Ended June 30, 2014**

**Revenues**

Interest on Investments	448
	<u>448</u>

**Expenditures**

Transfer to General Fund	448
	<u>448</u>

Excess (deficiency) of revenues over (under) expenditures	-
Fund balance - beginning	<u>188,894</u>
Fund balance - ending	<u><u>188,894</u></u>

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Renovations - North Cliff School**  
**From Inception and for the Year Ended June 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues</b>				
State Sources - SCC Grant			-	
Bond proceeds and transfers	1,112,731		1,112,731	1,112,731
Capital Lease Proceeds			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>1,112,731</u>	<u>-</u>	<u>1,112,731</u>	<u>1,112,731</u>
<b>Expenditures</b>				
Purchased professional and technical services	72,049		72,049	71,342
Land and improvements			-	
Construction services	763,725		763,725	879,139
Equipment purchases	12,250		12,250	12,250
	<u>848,024</u>	<u>-</u>	<u>848,024</u>	<u>962,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>264,707</u>	<u>-</u>	<u>264,707</u>	<u>150,000</u>
<b>Other Financing Sources(Uses)</b>				
Transfers in - Upper School Renovation Project			-	
Transfers out - Northcliff School Renovation Project	(150,000)		(150,000)	(150,000)
	<u>(150,000)</u>	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	<u>114,707</u>	<u>-</u>	<u>114,707</u>	<u>-</u>
<b>Additional project information:</b>				
Project number				
Grant Date				
Bond authorization date	12/13/2005			
Bonds authorized	876,820.00			
Bonds issued	876,820.00			
Original authorization cost	876,820.00			
Additional authorized cost	85,911.00			
Revised authorized cost	962,731.00			
Percentage increase over original authorized cost	0.10			
Percentage completion	88%			
Original target completion date	August 2007			
Revised target completion date	December 2008			

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Renovations - Upper School**  
**From Inception and for the Year Ended June 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues</b>				
State Sources - SCC Grant			-	
Bond proceeds and transfers	2,357,849	-	2,357,849	2,358,039
Capital Lease Proceeds			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>2,357,849</u>	<u>-</u>	<u>2,357,849</u>	<u>2,358,039</u>
<b>Expenditures</b>				
Purchased professional and technical services	168,781		168,781	168,781
Land and improvements			-	
Construction services	2,165,499	-	2,165,499	2,239,876
Equipment purchases	99,382		99,382	99,382
	<u>2,433,662</u>	<u>-</u>	<u>2,433,662</u>	<u>2,508,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(75,813)</u>	<u>-</u>	<u>(75,813)</u>	<u>(150,000)</u>
<b>Other Financing Sources(Uses)</b>				
Transfers in - Upper School Renovation Project	150,000		150,000	150,000
Transfers out - Northcliff School Renovation Project			-	
	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	<u>74,187</u>	<u>-</u>	<u>74,187</u>	<u>-</u>
<b>Additional project information:</b>				
Project number				
Grant Date				
Bond authorization date	12/13/2005			
Bonds authorized	2,088,698.00			
Bonds issued	2,088,508.00			
Original authorization cost	2,088,698.00			
Additional authorized cost	419,341.00			
Revised authorized cost	2,508,039.00			
Percentage increase over original authorized cost	0.20			
Percentage completion	97%			
Original target completion date	August 2007			
Revised target completion date	December 2008			

ENGLEWOOD CLIFFS BOARD OF EDUCATION  
Capital Projects Fund  
Summary Statement of Project Expenditures  
For the Fiscal Year Ended June 30, 2014

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2014
			Prior Years	Current Year	
Renovations - North Cliff School	Dec. 13, 2005	962,731	848,024		114,707
Renovations - Upper School	Dec. 13, 2005	2,508,039	2,433,662	-	74,377
		4,098,596	3,909,512	-	189,084
Analysis					
			Project Balance - June 30, 2014		189,084
			Unfunded Authorizations		(190)
			Fund Balance (Deficit) - June 30, 2014		188,894



## **PROPRIETARY FUNDS**

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Exhibit G-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2014**

	<u>Special Milk Program</u>	<u>Totals</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	1,010	1,010
Accounts receivable:		
Federal	299	299
Total current assets	<u>1,309</u>	<u>1,309</u>
Noncurrent assets:		
Capital assets:		
Equipment	2,000	2,000
Less accumulated depreciation	<u>(2,000)</u>	<u>(2,000)</u>
Total capital assets (net of accumulated depreciation)		
Total assets	<u>1,309</u>	<u>1,309</u>
<b>LIABILITIES</b>		
Current liabilities:		
Account payable	<u>575</u>	<u>575</u>
Total current liabilities	<u>575</u>	<u>575</u>
<b>NET POSITION</b>		
Unrestricted	<u>734</u>	<u>734</u>
Total net position	<u>734</u>	<u>734</u>

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Special Milk Program</u>	<u>Totals</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	2,631	2,631
Total operating revenues	<u>2,631</u>	<u>2,631</u>
 Operating expenses:		
Cost of sales	4,713	4,713
Salaries	1,100	1,100
Depreciation	69	69
Total Operating Expenses	<u>5,882</u>	<u>5,882</u>
Operating income (loss)	<u>(3,251)</u>	<u>(3,251)</u>
 Nonoperating revenues (expenses):		
Federal sources:		
Special milk program	3,115	3,115
Total nonoperating revenues (expenses)	<u>3,115</u>	<u>3,115</u>
Change in net position	(136)	(136)
Total net position—beginning	870	870
Total net position—ending	<u><u>734</u></u>	<u><u>734</u></u>

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Special Milk Program</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	2,631	2,631
Payments for milk purchases	<u>(5,238)</u>	<u>(5,238)</u>
Net cash provided by (used for) operating activities	<u>(2,607)</u>	<u>(2,607)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Federal sources	3,332	3,332
Operating subsidies and transfers to other funds	<u>-</u>	<u>-</u>
Net cash provided by (used for) non-capital financing activities	<u>3,332</u>	<u>3,332</u>
Net increase (decrease) in cash and cash equivalents	725	725
Balances—beginning of year	<u>285</u>	<u>285</u>
Balances—end of year	<u><u>1,010</u></u>	<u><u>1,010</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	(3,251)	(3,251)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	69	69
Increase (decrease) in accounts payable	<u>575</u>	<u>575</u>
Total adjustments	<u>644</u>	<u>644</u>
Net cash provided by (used for) operating activities	<u><u>(2,607)</u></u>	<u><u>(2,607)</u></u>

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<b>FIDUCIARY FUND</b>
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**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	21,582	39,824
Total assets	<u>21,582</u>	<u>39,824</u>
<b>LIABILITIES</b>		
Payable to student groups		5,657
Payroll deductions and withholdings		34,167
Total liabilities		<u>39,824</u>
<b>NET POSITION</b>		
Held in trust for unemployment claims and other purposes	<u>21,582</u>	

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<b>Unemployment Compensation Trust Fund</b>
<b>ADDITIONS</b>	
Investment earnings:	
Interest	22
Net investment earnings	22
Total additions	22
Change in net position	22
Net position—beginning of the year	21,560
Net position—end of the year	21,582

ENGLEWOOD CLIFFS BOARD OF EDUCATION  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
for the Fiscal Year ended June 30, 2014

	Balance July 1, 2013	Cash Receipts	Cash Disbursed	Balance June 30, 2014
Upper School	8,804	85,191	88,338	5,657
Total All Schools	8,804	85,191	88,338	5,657

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2014**

	Balance July 1, 2013	Cash Receipts	Cash Disbursed	Balance June 30, 2014
Net Payroll	84,638	3,658,730	3,738,280	5,088
Flexible Spending Account	2,055	17,732	16,230	3,557
Payroll Deductions and Withholdings	72,006	3,239,716	3,286,200	25,522
	<u>158,699</u>	<u>6,916,178</u>	<u>7,040,710</u>	<u>34,167</u>

## **LONG-TERM DEBT**

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**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**General Long Term Debt Account Group**  
**Statement of Serial Bonds**  
**June 30, 2014**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2013	Retired	Balance June 30, 2014
Improvement to School Facilities	10/18/2006	3,956,000	8/15/2014	260,000	3.750%	2,696,000	245,000	2,451,000
			8/15/2015	270,000	4.000%			
			8/15/2016	285,000	4.000%			
			8/15/2017	300,000	4.000%			
			8/15/2018	315,000	4.000%			
			8/15/2019	330,000	4.000%			
			8/15/2020	345,000	4.000%			
			8/15/2021	346,000	4.000%			
						2,696,000	245,000	2,451,000

**Englewood Cliffs Board of Education  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	258,547		258,547	258,547	-
State Sources:					
Debt Service Aid Type II	88,437		88,437	88,437	-
Total - State Sources	88,437	-	88,437	88,437	-
<b>Total Revenues</b>	<b>346,984</b>	<b>-</b>	<b>346,984</b>	<b>346,984</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	101,984		101,984	101,984	-
Redemption of Principal	245,000		245,000	245,000	-
Total Regular Debt Service	346,984	-	346,984	346,984	-
<b>Total expenditures</b>	<b>346,984</b>	<b>-</b>	<b>346,984</b>	<b>346,984</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	-	-	-	-	-



## **STATISTICAL SECTION**

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## **STATISTICAL SECTION (UNAUDITED)**

### **Introduction to the Statistical Section**

### **Financial Trends**

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

### **Revenue Capacity**

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

### **Debt Capacity**

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

### **Demographic and Economic Information**

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

### **Operating Information**

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information\*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.	

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Net Assets/Position\* by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 822,600	829,843	656,588	565,201	954,712	906,819	830,387	793,040	1,615,883	1,773,540
Restricted	499,362	1,145,693	3,718,379	2,209,227	1,922,391	1,464,173	2,134,491	2,239,190	2,427,845	2,461,642
Unrestricted	(424,823)	(275,183)	(2,297,398)	(10,418)	(137,414)	(113,289)	134,469	510,458	632,696	203,416
<b>Total governmental activities net assets/position</b>	<b>\$ 897,139</b>	<b>\$ 1,700,353</b>	<b>\$ 2,077,569</b>	<b>\$ 2,764,010</b>	<b>\$ 2,739,689</b>	<b>\$ 2,257,703</b>	<b>\$ 3,099,347</b>	<b>\$ 3,542,688</b>	<b>\$ 4,676,424</b>	<b>\$ 4,438,598</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 1,267	\$ 1,134	\$ 1,000	\$ 867	\$ 734	\$ 468	\$ 335	\$ 202	\$ 69	
Restricted	(4,178)	(4,741)	(5,383)	(4,566)	2,020	1,898	2,168	658	801	734
<b>Total business-type activities net assets/position</b>	<b>\$ (2,911)</b>	<b>\$ (3,607)</b>	<b>\$ (4,383)</b>	<b>\$ (3,699)</b>	<b>\$ 2,754</b>	<b>\$ 2,366</b>	<b>\$ 2,503</b>	<b>\$ 860</b>	<b>\$ 870</b>	<b>\$ 734</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 823,867	\$ 830,977	\$ 657,588	\$ 566,068	\$ 955,446	\$ 907,287	\$ 830,722	\$ 793,242	\$ 1,615,952	\$ 1,773,540
Restricted	499,362	1,145,693	3,718,379	2,209,227	1,922,391	1,464,173	2,134,491	2,239,190	2,427,845	2,461,642
Unrestricted	(429,001)	(279,924)	(2,302,781)	(14,984)	(135,394)	(111,391)	136,637	511,116	633,497	204,150
<b>Total district net assets/position</b>	<b>\$ 894,228</b>	<b>\$ 1,696,746</b>	<b>\$ 2,073,186</b>	<b>\$ 2,760,311</b>	<b>\$ 2,742,443</b>	<b>\$ 2,260,069</b>	<b>\$ 3,101,850</b>	<b>\$ 3,543,548</b>	<b>\$ 4,677,294</b>	<b>\$ 4,439,332</b>

Source: CAFR Schedule A-1

\* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Changes in Net Assets/Position\***  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 2,968,642	\$ 3,402,191	\$ 3,348,198	\$ 3,500,610	\$ 4,311,901	\$ 3,905,034	\$ 2,971,597	\$ 3,224,341	\$ 3,301,980	\$ 4,024,684
Special education	474,126	577,279	605,997	781,634	914,296	938,425	790,833	895,930	1,053,436	1,109,731
Other special education	298,980	366,430	424,636	418,247	389,607	351,347	313,486	324,632	375,651	311,881
Other instruction	57,111	23,304	28,259	11,683	23,818	8,200	6,086	4,770	10,599	4,758
<b>Support Services:</b>										
Tuition	766,135	719,580	856,077	803,250	771,104	880,430	964,637	824,430	729,025	669,693
Student & instruction related services	1,025,363	1,159,005	1,235,816	1,331,929	1,592,105	2,071,144	1,789,932	2,011,665	2,310,222	2,471,219
School Administrative Services	156,345	162,446	202,352	204,530	235,783	238,937	207,911	227,004	388,293	157,084
General administration	409,600	555,102	347,095	322,250	304,905	323,998	357,097	341,793	223,647	349,291
Central Services	196,680	177,142	258,297	212,192	187,831	209,248	228,384	245,691	257,900	317,435
Administrative information technology		94,318	11,550	12,774	19,213	21,929	30,941	59,610	101,899	81,329
Plant Operations and Maintenance	670,910	757,048	837,888	820,807	754,958	1,184,584	1,001,025	1,006,390	1,040,444	1,134,175
Pupil transportation	521,053	578,013	709,284	661,560	610,228	744,457	655,588	685,340	776,161	691,206
Other support services			3,070							
Allocated benefits	804,302	77,218								
Unallocated benefits	539,751	673,727	1,016,923	1,074,589	565,544	619,163	726,604	881,060	728,928	762,093
<b>On-behalf Contributions</b>										
Prior Year Encumbrances		70,542								
Capital Outlay - non-depreciable	28,986	21,438		2,250			48,336	110,260	4,203	322,369
<b>Debt Services:</b>										
Interest and other charges			102,121	147,758	140,492	132,850	124,835	109,233	108,231	100,548
Unallocated depreciation	92,727	83,322	100,883	119,411						
<b>Total governmental activities expenses</b>	<u>9,010,711</u>	<u>9,500,105</u>	<u>10,088,446</u>	<u>10,425,474</u>	<u>10,821,785</u>	<u>11,629,746</u>	<u>10,217,212</u>	<u>10,952,149</u>	<u>11,410,619</u>	<u>12,507,496</u>

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**

**Changes in Net Assets/Position\***

Last Ten Fiscal Years

*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Business-type activities:</b>										
Special Milk Fund	7,132	4,099	5,218	6,247	4,629	4,564	3,515	6,608	4,364	5,882
Total business-type activities expense	7,132	4,099	5,218	6,247	4,629	4,564	3,515	6,608	4,364	5,882
Total district expenses	\$ 9,017,843	\$ 9,504,204	\$ 10,093,664	\$ 10,431,721	\$ 10,836,414	\$ 11,634,310	\$ 10,220,727	\$ 10,958,757	\$ 11,414,983	\$ 12,513,378
<b>Program Revenues</b>										
Governmental activities:										
Operating grants and contributions	120,041	128,134	123,429	250,020	217,174	332,168	211,317	206,591	231,429	243,862
Total governmental activities program revenues	120,041	128,134	123,429	250,020	217,174	332,168	211,317	206,591	231,429	243,862
Business-type activities:										
Charges for services	1,892	1,900	2,550	2,820	2,829	2,433	2,288	2,619	2,047	2,631
Special Milk Fund	2,030	1,636	1,892	4,111	2,338	1,743	1,364	2,346	2,327	3,115
Operating grants and contributions	3,972	3,536	4,442	6,931	5,167	4,176	3,652	4,965	4,374	5,746
Total business type activities program revenues	123,963	131,670	127,871	256,951	222,341	336,344	214,969	211,556	235,803	249,608
Total district program revenues										
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (8,890,670)	\$ (9,371,971)	\$ (9,965,017)	\$ (10,175,454)	\$ (10,604,611)	\$ (11,297,578)	\$ (10,005,895)	\$ (10,745,558)	\$ (11,179,190)	\$ (12,263,634)
Business-type activities	(3,210)	(563)	(776)	684	538	(388)	137	(1,643)	10	(136)
Total district-wide net expense	\$ (8,893,880)	\$ (9,372,534)	\$ (9,965,793)	\$ (10,174,770)	\$ (10,604,073)	\$ (11,297,966)	\$ (10,005,758)	\$ (10,747,201)	\$ (11,179,180)	\$ (12,263,770)

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Changes in Net Assets/Position\***  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 7,512,586	\$ 8,088,766	\$ 8,376,177	\$ 8,711,224	\$ 9,059,673	\$ 9,299,800	\$ 9,720,381	\$ 9,795,381	\$ 9,878,618	\$ 10,076,190
Taxes levied for debt service		1,293,377	99,000	221,482	70,869	163,555	255,474	256,777	257,802	258,547
Federal and state aid not restricted		573,721	1,576,663	1,603,304	1,161,587	1,135,998	884,449	1,042,529	1,280,176	1,307,200
Grants and contributions	1,285,734			75,000						
Tuition Received			82,100	109,200	223,355	185,610	179,908	75,757	248,861	91,083
Miscellaneous income		219,321	208,293	164,073	61,658	30,629	20,244	18,455	8,180	5,488
State Aid - SCC Capital Projects grant receivable cancelled	76,985						(227,018)			287,300
Transfers				(22,388)						
Total governmental activities	8,875,305	10,175,185	10,342,233	10,861,895	10,577,142	10,815,592	10,833,438	11,188,899	11,673,637	12,025,808
Business-type activities:										
Liabilities canceled					5,915					
Total business-type activities					5,915					
Total district-wide	\$ 8,875,305	\$ 10,175,185	\$ 10,342,233	\$ 10,861,895	\$ 10,583,057	\$ 10,815,592	\$ 10,833,438	\$ 11,188,899	\$ 11,673,637	\$ 12,025,808
<b>Change in Net Assets/Position</b>										
Governmental activities	\$ (15,365)	\$ 803,214	\$ 377,216	\$ 686,441	\$ (27,469)	\$ (481,986)	\$ 827,543	\$ 443,341	\$ 494,447	\$ (237,826)
Business-type activities	(3,210)	(563)	(776)	684	6,453	(388)	137	(1,643)	10	(136)
Total district	\$ (18,575)	\$ 802,651	\$ 376,440	\$ 687,125	\$ (21,016)	\$ (482,374)	\$ 827,680	\$ 441,698	\$ 494,457	\$ (237,962)

Source: CAFR Schedule A-2

\* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.



**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Reserved	\$ 457,882	\$ 611,852	\$ 702,287	\$ 1,173,888	\$ 1,256,478	\$ 890,851				
Unreserved	155,153	208,312	274,271	350,672	237,284	180,697				
Restricted							\$ 1,426,061	\$ 1,931,435	\$ 2,238,951	\$ 2,272,748
Assigned							362,126	450,781	718,420	335,442
Unassigned							418,171	407,350	287,965	293,132
<b>Total general fund</b>	<b>\$ 613,035</b>	<b>\$ 820,164</b>	<b>\$ 976,558</b>	<b>\$ 1,524,560</b>	<b>\$ 1,493,762</b>	<b>\$ 1,071,548</b>	<b>\$ 2,206,358</b>	<b>\$ 2,789,566</b>	<b>\$ 3,245,336</b>	<b>\$ 2,901,322</b>
<b>All Other Governmental Funds</b>										
Reserved - capital projects fund			\$ 1,342,308	\$ 185,090	\$ 35,887					
Unreserved, reported in:										
Capital projects fund	41,480	533,841	1,507,834	609,299	555,026	573,321				
Debt service fund			165,950	240,950	75,000	1				
Restricted, reported in:										
Capital projects fund							346,303	307,755	188,894	188,894
Debt service fund							1			
<b>Total all other governmental funds</b>	<b>\$ 41,480</b>	<b>\$ 533,841</b>	<b>\$ 3,016,092</b>	<b>\$ 1,035,339</b>	<b>\$ 665,913</b>	<b>\$ 573,322</b>	<b>\$ 346,304</b>	<b>\$ 307,755</b>	<b>\$ 188,894</b>	<b>\$ 188,894</b>

Source: CAFR B-1

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Tax levy	\$ 7,512,586	\$ 8,088,766	\$ 8,475,177	\$ 8,932,706	\$ 9,130,542	\$ 9,463,355	\$ 9,975,855	\$ 10,052,158	\$ 10,136,420	\$ 10,334,737
Tuition charges	41,300		82,100	109,200	223,355	185,610	179,908	75,757	248,861	91,083
Interest earnings	3,580									
Miscellaneous	32,105	219,321	88,602	93,396	35,189	30,629	20,244	17,134	6,799	5,488
State sources	1,294,831	1,302,593	1,576,663	1,726,151	1,271,494	1,243,813	976,818	1,118,560	1,379,519	1,407,599
Federal sources	110,944	118,918	123,429	127,173	107,267	224,353	118,948	130,560	131,944	143,463
Total revenue	8,995,346	9,729,598	10,345,971	10,988,626	10,767,847	11,147,760	11,271,773	11,394,169	11,903,543	11,982,370
<b>Expenditures</b>										
Instruction										
Regular instruction	2,757,025	2,724,553	2,742,558	2,834,962	3,517,449	3,205,834	2,434,920	2,653,786	2,621,942	3,229,683
Special education instruction	435,011	449,318	482,738	631,414	759,865	769,394	638,976	722,876	793,801	857,586
Other special instruction	326,646	286,274	337,794	329,195	314,148	281,718	251,414	259,868	288,784	239,511
Other instruction		19,530	25,155	11,410	22,108	7,055	5,683	4,489	9,006	4,758
Support Services:										
Tuition	766,135	719,580	856,077	803,250	771,104	880,430	964,637	824,430	729,025	669,693
Student & inst. related services	969,491	955,046	1,032,773	1,115,507	1,322,804	1,725,419	1,499,774	1,690,817	2,013,317	2,001,914
Support services - students										
Other support services - Inst. Staff										
Health services										
Educational/Media services										
Attendance										
School administrative services	341,600	123,137	168,338	165,787	166,824	179,547	155,028	173,474	163,127	115,084
General administration	390,197	495,141	307,545	283,611	277,167	294,882	319,706	305,210	346,608	307,513
Central services		141,240	205,903	172,260	155,671	170,418	190,854	205,095	209,226	254,243
Admin. information technology		77,529	11,550	12,774	19,213	21,929	30,941	59,610	101,899	81,329
Plant operations and maintenance	635,101	668,953	755,760	711,237	712,468	808,046	663,054	688,716	657,246	746,890
Pupil transportation	519,507	572,181	703,554	653,431	601,974	744,457	652,870	678,919	747,452	673,338
Business and other support servs										
Other support services			3,070							
Employee benefits	1,827,854	1,408,820	1,411,343	1,445,503	1,380,525	1,551,295	1,395,114	1,472,168	1,521,771	1,813,073
On behalf contributions		655,121	936,223	932,402	524,576	551,890	519,821	620,638	722,033	709,128
Prior year encumbrances		70,542								

**ENGLEWOOD CLIFFS BOARD OF EDUCATION**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Special Schools										
Charter Schools										
Capital outlay	253,123	155,504	130,196	50,811	106,934	129,518	71,312	107,578	218,092	562,897
Debt service:										
Principal				185,000	195,000	205,000	215,000	225,000	235,000	245,000
Interest and other charges			44,436	150,559	143,234	135,733	127,859	119,609	110,984	101,984
Total expenditures	9,221,690	9,522,469	10,135,013	10,488,913	10,991,064	11,662,565	10,136,963	10,812,283	11,489,313	12,613,624
Excess (Deficiency) of revenues over (under) expenditures	(226,344)	207,129	210,958	499,713	(223,217)	(514,805)	1,134,810	581,886	414,230	(631,254)
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	111,386	145,677	26,469	13,403	2,180	1,321	42,861	448
Transfers out	-	-	-	(22,388)	-	(13,403)	(2,180)	(1,321)	(42,861)	(448)
Capital Reserve - Capital Outlay	-	-	-	-	-	-	(227,018)	-	-	287,300
Total other financing sources (uses)	-	-	111,386	123,289	26,469	-	(227,018)	-	-	287,300
Net change in fund balances	\$ (226,344)	\$ 207,129	\$ 322,344	\$ 623,002	\$ (196,748)	\$ (514,805)	\$ 907,792	\$ 581,886	\$ 414,230	\$ (343,954)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.44%	3.21%	3.11%	2.95%	3.41%	3.22%	3.07%	2.88%

Source: District records

Note: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be meaningful for comparative purposes if these were included.

Source: CAFR, Schedule B-2

**Englewood Cliffs Board of Education**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Tuition	Donations	Interest	Refunds	Cancelled Liabilities	Prior Year Voided Checks	Balance of Unemployment Closed to General Fund	Miscellaneous	Annual Totals
2005	\$ 41,300		3,580					32,105	76,985
2006	72,000	27,552	10,911	95,885				12,973	219,321
2007		8,000	28,521	26,804			20,888	4,389	88,602
2008		45,035	25,400					22,961	93,396
2009			31,836					3,353	35,189
2010	185,610		20,138			7,921		2,570	216,239
2011	179,908		16,812					1,252	197,972
2012	75,757		12,477					4,657	92,891
2013	248,861		2,765			2,078		575	254,279
2014	91,083		1,828					3,212	96,123

Source: District records

**Englewood Cliffs Board of Education**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value	% of Net Assessed to Estimated Full Cash Valuations
2004	\$ 44,349,000	\$ 1,273,813,900	\$ 2,173,649,425	\$ 1,383,600	\$ 972,500	\$ 3,494,168,425	\$ 1,502,035,025	\$ 2,001,324	\$ 1,994,134,724	0.377	\$ 2,217,698,577	89.92%
2005	38,990,500	1,297,156,300	2,183,088,275	1,383,600	972,500	3,521,591,175	1,501,931,075	1,406,188	2,021,066,288	0.400	2,557,614,389	79.02%
2006	32,504,400	1,346,253,100	2,154,312,275	1,383,600	972,500	3,535,425,875	1,502,255,675	1,272,597	2,034,442,797	0.417	3,086,979,346	65.90%
2007	36,930,800	1,367,120,100	2,141,597,975	1,383,600	972,500	3,548,004,975	1,502,255,675	1,610,678	2,047,359,978	0.436	3,140,779,023	65.19%
2008	62,999,000	2,386,943,400	986,983,800	1,886,500	1,750,000	3,440,562,700	911,902,000	1,711,475	2,530,372,175	0.265	3,313,450,107	76.37%
2009	54,487,100	2,393,393,200	1,003,351,100	1,886,500	1,750,000	3,454,867,900	911,902,000	1,980,256	2,544,946,156	0.274	3,371,508,439	73.48%
2010	47,202,000	2,427,408,700	944,271,600	1,886,500	1,750,000	3,422,518,800	918,228,300	1,925,179	2,506,215,679	0.292	3,465,127,857	72.33%
2011	50,562,700	2,420,689,700	952,029,800	1,886,500	1,750,000	3,426,918,700	917,466,200	1,725,842	2,511,178,342	0.293	3,369,668,246	74.52%
2012	44,347,400	2,431,499,800	955,926,300	1,675,000	1,750,000	3,415,198,500	917,566,200	1,634,938	2,499,267,238	0.297	3,210,144,692	77.86%
2013	43,625,600	2,431,098,700	926,889,700	1,675,000	1,750,000	3,405,039,000	917,566,200	1,472,537	2,488,945,337	0.303	3,148,458,674	79.05%

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

N/A At the time of CAFR completion, this data was not yet available

**Englewood Cliffs Board of Education**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Year Ended Dec. 31,	Englewood Cliffs Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General		6) Total Direct School	Borough of Englewood Cliffs	Bergen County	
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>				
2005	0.400	-	0.400	0.401	0.219	1.020
2006	0.417	-	0.417	0.428	0.235	1.080
2007	0.436	-	0.436	0.459	0.265	1.160
2008	0.258	0.007	0.265	0.278	0.178	0.721
2009	0.256	0.018	0.274	0.291	0.186	0.751
2010	0.287	0.005	0.292	0.307	0.196	0.795
2011	0.285	0.008	0.293	0.305	0.197	0.795
2012	0.289	0.008	0.297	0.324	0.204	0.825
2013	0.295	0.008	0.303	0.332	0.214	0.849

**Source: Municipal Tax Collector**

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

**b** Rates for debt service are based on each year's requirements.

Exhibit J-8

Englewood Cliffs Board of Education  
Principal Property Taxpayers,  
Current Year and Nine Years Ago

	2013				2004			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
Taxpayer 1	\$ 109,310,000	1	4.39%					
Taxpayer 2	90,000,000	2	3.62%		70,785,000	2	0.00%	
Taxpayer 3	89,145,700	3	3.58%					
Taxpayer 4	72,100,000	4	2.90%		40,800,000	3	2.09%	
Taxpayer 5	37,194,600	5	1.49%				0.00%	
Taxpayer 6	35,719,500	6	1.44%					
Taxpayer 7	35,500,000	7	1.43%					
Taxpayer 8	25,125,000	8	1.01%		29,825,000	4		
Taxpayer 9	17,780,600	9	0.71%		20,790,000	6		
Taxpayer 10	14,624,800	10	0.59%					
Taxpayer 11					97,500,000	1	5.00%	
Taxpayer 12					27,475,000	5	1.41%	
Taxpayer 13					12,825,000	7	0.66%	
Taxpayer 14					11,550,000	8	0.59%	
Taxpayer 15					11,000,000	9	0.56%	
Taxpayer 16					10,890,000	10	0.56%	
Total	\$ 526,500,200		21.15%		\$ 333,440,000		10.88%	
Total Net Assessed Value	2,488,945,337				1,948,052,675			

Source: Municipal Tax Assessor

**Exhibit J-9**

**Englewood Cliffs Board of Education  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	7,512,586	7,512,419	99.998%	167
2006	8,088,766	8,088,766	100.00%	-
2007	8,475,177	8,475,177	100.00%	-
2008	8,932,706	8,932,706	100.00%	-
2009	9,130,542	9,130,542	100.00%	-
2010	9,463,355	9,463,349	100.00%	6
2011	9,975,855	9,975,847	100.00%	8
2012	10,052,158	10,052,158	100.00%	-
2013	10,136,420	10,136,420	100.00%	-
2014	10,334,737	10,334,737	100.00%	-

**Source:** District records including the Certificate and Report of School Taxes (A4F form)

- a** - School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of the school year.



**Englewood Cliffs Board of Education**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Bond Anticipation Notes (BANs)		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
			Capital Leases				
2005	-	-	260,125	-	260,125	0.08%	\$ 4.50
2006	-	-	143,048	-	143,048	0.04%	\$ 2.26
2007	3,956,000	-	20,957	-	3,976,957	1.02%	\$ 58.83
2008	3,771,000	-	-	-	3,771,000	0.96%	\$ 55.97
2009	3,576,000	-	-	-	3,576,000	1.06%	\$ 56.00
2010	3,371,000	-	-	-	3,371,000	0.99%	\$ 52.71
2011	3,156,000	-	-	-	3,156,000	0.88%	\$ 46.94
2012	2,931,000	-	-	-	2,931,000	0.78%	\$ 41.92
2013	2,696,000	-	-	-	2,696,000	Not Available	Not Available
2014	2,451,000	-	-	-	2,451,000	Not Available	Not Available

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

**Englewood Cliffs Board of Education  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	-	-	-	0.00%	57,745
2006	-	-	-	0.00%	63,166
2007	3,956,000	-	3,956,000	0.19%	67,606
2008	3,771,000	-	3,771,000	0.11%	67,375
2009	3,576,000	-	3,576,000	0.10%	63,862
2010	3,371,000	-	3,371,000	0.10%	63,950
2011	3,156,000	-	3,156,000	0.09%	67,240
2012	2,931,000	-	2,931,000	0.09%	69,919
2013	2,696,000	-	2,696,000	0.11%	Not Available
2014	2,451,000	-	2,451,000	Not Available	Not Available

**Notes:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

**Englewood Cliffs Board of Education**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2014**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2014			\$ 2,451,000
Debt repaid with property taxes			
Borough of Englewood Cliffs	100.00%	\$ 19,200,140	
County of Bergen - Borough's Share	1.949%	16,555,386	
Bergen County Utilities Authority - Borough's Share	1.544%	3,435,809	
Subtotal, overlapping debt			<u>39,191,335</u>
<b>Total direct and overlapping debt</b>			<b>\$ <u>41,642,335</u></b>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Bergen County Board of Taxation.  
Debt outstanding data provided by each governmental unit.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Englewood Cliffs. This process recognizes that, when considering the District's ability to issue and repay long-term debt, entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**Englewood Cliffs Board of Education  
Legal Debt Margin Information,  
Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2014**

Equalized valuation basis									
2013	\$	3,148,458,674							
2012		3,226,192,802							
2011		3,183,093,721							
[A]	\$	9,557,745,197							
Average equalized valuation of taxable property									
[A/3]	\$	3,185,915,066							
[B]		95,577,452	a						
[C]		2,451,000							
[B-C]	\$	93,126,452							
Debt limit (3 %									
Total Net Debt Applicable to Limit									
Legal debt margin									
									</

Exhibit J-14

Englewood Cliffs Board of Education  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2005	5,641	325,739,545	57,745	3.36%
2006	5,669	358,088,054	63,166	3.50%
2007	5,710	386,030,260	67,606	3.20%
2008	5,773	388,955,875	67,375	4.10%
2009	5,855	373,912,010	63,862	7.60%
2010	5,287	338,103,650	63,950	7.60%
2011	5,314	357,313,360	67,240	7.50%
2012	5,337	373,157,703	69,919	7.60%
2013	5,354	Not Available	Not Available	8.00%
2014	Not Available	Not Available	Not Available	Not Available

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

Englewood Cliffs Board of Education  
Principal Employers,  
Current Year and Ten Years Ago

2014

2005

Employer	Percentage of			Percentage of		
	Employees	Rank [Optional]	Total Municipal Employment	Employees	Rank [Optional]	Total Municipal Employment

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.

**Englewood Cliffs Board of Education**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction										
Regular	45	46	47	43	44	43.4	35.9	35.0	36.0	38.5
Special education	10	12	11	13	12	10.0	7.7	13.0	14.0	11.5
Other special education	6	8	9	9	9	7.0	8.0	10.0	12.0	2.0
Vocational										
Other instruction						4.0	2.0	2.0	2.0	2.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	2	2	2	2	2	3.4	3.0	4.0	4.0	25.7
General administration	2	2	2	2	2	2.0	2.0	3.0	4.0	1.6
School administrative services	8	6	5	5	5	5.0	5.0	4.0	4.0	2.5
Other administrative services										
Central services	3	4	4	4	4	4.0	2.1	3.0	4.0	2.3
Administrative Information Technology	1	1	1	1	1	2.0	2.0			
Plant operations and maintenance	6	6	6	7	6	6.4	5.4	6.0	8.0	7.5
Pupil transportation										
Other support services						0.6	0.4	4.0	3.0	0.3
Special Schools	1	1								
Food Service										
Child Care										
<b>Total</b>	<b>84</b>	<b>88</b>	<b>87</b>	<b>86</b>	<b>85</b>	<b>87.8</b>	<b>73.5</b>	<b>84.0</b>	<b>91.0</b>	<b>93.8</b>

Source: District Personnel Records

**Englewood Cliffs Board of Education  
Operating Statistics,  
Last Ten Fiscal Years**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2005	427	\$ 9,221,690	\$ 21,596	5.04%	84.00	1:8.54	1:8.54		426.90	410.60	1.16%	96.18%
2006	451	9,522,469	21,114	-2.23%	88.00	1:9.4	1:9.4		420.63	404.47	-1.47%	96.16%
2007	421	10,090,577	23,968	13.52%	87.00	1:8.9	1:8.9		400.40	386.60	-4.81%	96.55%
2008	425	10,102,743	23,771	-0.82%	86.00	1:8.3	1:8.3		425.42	409.86	6.25%	96.34%
2009	424	10,545,896	24,872	4.63%	85.00	1:9.3	1:9.3		428.52	411.85	0.73%	96.11%
2010	426	11,192,314	26,273	5.63%	87.80	1:9.2	1:9.2		447.69	412.85	4.47%	92.22%
2011	450	9,722,792	21,606	-17.76%	43.00	1:11.6	1:11.6		452.50	413.85	1.07%	91.46%
2012	492	10,467,674	21,276	-1.53%	48.00	1:11.2	1:11.2		493.70	414.85	9.10%	84.03%
2013	498	10,925,237	21,938	3.11%	55.00	1:11.2	1:11.2		498.00	473.10	0.87%	95.00%
2014	496	11,703,743	23,596	7.56%	52.00	1:10.0	1:10.0		523.03	506.08	5.03%	96.76%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).



**Englewood Cliffs Board of Education  
School Building Information  
Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>District Building</u></b>										
Elementary										
Northcliff School										
Square Feet GSF	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971	24,971
Square Feet NSF	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036	16,036
Capacity (students)	179	179	179	179	179	179	230	230	230	230
Enrollment	130	136	133	170	164	173	201	212	196	201
Upper School										
Square Feet GSF	76,050	76,050	76,050	76,050	76,050	76,050	76,050	76,050	76,050	76,050
Square Feet NSF	51,536	51,536	51,536	51,536	51,536	51,536	51,536	51,536	51,531	51,531
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment a	294	295	278	255	264	262	252	276	286	295

Number of Schools at June 30, 2014

Elementary = 2

Source: District Facilities Office

Englewood Cliffs Board of Education  
Schedule of Required Maintenance  
Last Ten Fiscal Years

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-XXX

School Facilities	Project No.'s	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Northcliff School	N/A	14,890	10,473	7,669	23,702	\$ 48,942	\$ 22,549	\$ 12,304	\$ 3,682	\$ 8,126	\$ 13,144
Upper School	N/A	48,357	38,717	108,768	47,051	76,305	46,746	23,043	9,560	24,379	39,430
Grand Total		<u>\$ 63,247</u>	<u>\$ 49,190</u>	<u>\$ 116,437</u>	<u>\$ 70,753</u>	<u>\$ 125,247</u>	<u>\$ 69,295</u>	<u>\$ 35,347</u>	<u>\$ 13,242</u>	<u>\$ 32,505</u>	<u>\$ 52,574</u>

Source: District records

**Englewood Cliffs Board of Education**  
**Insurance Schedule**  
**June 30, 2014**

Company	Type of Coverage	Coverage	Deductible
Selective Way Ins. Co.	Pollution-Per Incident	1,000,000	1,000
	Pollution-Annual Aggregate	1,000,000	
	Valuable Papers & Records	4,925,000	1,000
	Accts Receivable	25,000	
	Fine Arts	423,196	5,000
	Electronic Information Systems	2,425,000	
	Musical Instruments	250,000	1,000
	Cameras, Audio/Video Equip	250,000	1,000
	Misc School Property	100,000	1,000
	Misc Property - Tools Coverage	1,000	500
	Contractors Equipment	250,000	1,000
	Theft of Money & Securities-Inside Premises	50,000	1,000
	Theft of Money & Securities-Outside Premises	50,000	1,000
	Computer Fraud	50,000	1,000
	General Liability		
	General Aggregate	2,000,000	
	Products & Completed Operations	2,000,000	
	Personal & Advertising Injury	1,000,000	
	Each Occurrence	1,000,000	
	Employee Benefits Liability	1,000,000/per claim	
		2,000,000 annual aggregate	

**Englewood Cliffs Board of Education  
Insurance Schedule  
June 30, 2014**

Company	Type of Coverage	Coverage	Deductible
Selective Way Ins. Co.	School Board Legal Liability	1,000,000/per claim	
		1,000,000 annual aggregate	
	Sexual Abuse & Molestation	1,000,000/occurrence	
		1,000,000 annual aggregate	
	Commercial Auto		
	Automobile Liability	1,000,000	
	Medical Payments	5,000	
	Uninsured Motorist	1,000,000	
	Underinsured Motorist	1,000,000	
	Comprehensive		1,000
Selective Ins. Co. of America	Collision		1,000
	Crime		
	Public Employee Theft-Per Employee	100,000	5,000
	Public Employee Theft-Per Loss	400,000	100,000
	Forgery or Alteration	50,000	1,000
	Commercial Umbrella		
Firemans Fund Ins. Co.	Per Occurrence	50,000,000	329,541
	Aggregate Limit	50,000,000	
	Environmental Pollution Liability		
ACE USA	Each Claim	2,000,000	
	Aggregate	20,000,000	

**Englewood Cliffs Board of Education  
Insurance Schedule  
June 30, 2014**

Company	Type of Coverage	Coverage	Deductible
Safety National Group	Employers Liability-Each Accident	1,000,000	
	Disease-Each Employee	1,000,000	
	Disease-Each Policy	1,000,000	
X.L. America, Inc.	Technology & Misc. Professional Services		
	Technology, Network Security, Privacy, & Media Communications	1,000,000/claim	15,000
		4,000,000 annual aggregate	25,000
Darwin	Educators Errors & Omissions	1,000,000	5,000
	Employment Practices Liability	1,000,000	15,000
	Policy Aggregate	1,000,000	5,000

Source: District Records

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**SINGLE AUDIT SECTION**

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K-1  
Page 1 of 2

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable President and  
Members of the Board of Education  
Borough of Englewood Cliffs School District  
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Englewood Cliffs School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 3, 2014.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the Borough of Englewood Cliffs Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Englewood Cliffs Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Englewood Cliffs Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Borough of Englewood Cliffs Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Englewood Cliffs School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated .

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Steven D. Wielkotz, C.P.A.  
Licensed Public School Accountant  
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 3, 2014



# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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K-2  
Page 1 of 3

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and  
Members of the Board of Education  
Borough of Englewood Cliffs School District  
County of Bergen, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Borough of Englewood Cliffs School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Englewood Cliffs Board of Education's major federal and state programs for the year ended June 30, 2014. The Borough of Englewood Cliffs Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Englewood Cliffs Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133



and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Englewood Cliffs Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Englewood Cliffs Board of Education's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Borough of Englewood Cliffs Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of the Borough of Englewood Cliffs Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Englewood Cliffs Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Borough of Englewood Cliffs Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133**

We have audited the financial statements of the Borough of Englewood Cliffs Board of Education as of and for the year ended June 30, 2014, and have issued our report there dated which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Steven D. Wielkottz, C.P.A.  
Licensed Public School Accountant  
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 3, 2014



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## ENGLEWOOD CLIFFS BOARD OF EDUCATION

## Schedule of Expenditures of Federal Awards

Year ended June 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable) at June 30, 2014	Deferred Revenue at June 30, 2014	Due to Grantor at June 30, 2014
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Enterprise Fund:											
Special Milk Program	10.556		7/1/12-6/30/13	2,346	(516)		516				
Special Milk Program	10.556		7/1/13-6/30/14	3,115			2,816	3,115	(299)		
Total U.S. Department of Agriculture					(516)		3,332	3,115	(299)		
Special Revenue Fund:											
Title II, Part A - NCLB	84.367A	NCLB138011	7/1/13-6/30/14	20,355			2,306	2,306			
Title III, English and Language Acquisition and Language Enhancement	84.365A	NCLB138003	7/1/13-6/30/14	37,228			34,675	34,675			
I.D.E.A. Part B, Basic	84.027	IDEA138011	7/1/13-6/30/14	105,017			103,142	103,142			
I.D.E.A. Part B, Preschool	84.173	IDEA138011	7/1/13-6/30/14	4,175			3,340	3,340			
Total U.S. Department of Education							143,463	143,463			
Total Federal Financial Assistance				\$	(516)		146,795	146,578	(299)		

See accompanying notes to schedules of expenditures of federal and state awards.

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

## ENGLEWOOD CLIFFS BOARD OF EDUCATION

## Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2014

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance at June 30, 2013			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Cancelled	Repayment of Prior Years' Balances	Balance at June 30, 2014			MEMO
				Deferred Revenue (Accounts Receivable)	Due to Grantor							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
State Department of Education:															
General Fund:															
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	\$ 237,308					209,624	237,308			*	27,684	*	237,308
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	37,453					37,453	37,453			*		*	37,453
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	7,650					7,650	7,650			*		*	7,650
Additional Non-public Transportation Aid	14-195-034-5120-014	7/1/12-6/30/13	12,354	(12,354)				12,354				*		*	12,354
Extraordinary Aid	13-100-034-5120-473	7/1/13-6/30/14	270,390	(270,390)				270,390				*		*	270,390
Extraordinary Aid	14-100-034-5120-473	7/1/14-6/30/15	315,661						315,661			*		*	315,661
On-behalf TPAF Postretirement Medical Cont.	14-495-034-5095-001	7/1/13-6/30/14	250,185					250,185	250,185			*		*	250,185
On-behalf TPAF Pension and												*		*	
Non-contributory Insurance Contributions	14-495-034-5095-007	7/1/13-6/30/14	152,587					152,587	152,587			*		*	152,587
TPAF Social Security	13-495-034-5095-002	7/1/12-6/30/13	275,361	(13,496)				13,496				*		*	275,361
TPAF Social Security	14-495-034-5095-002	7/1/13-6/30/14	306,356					291,265	306,356			*		*	306,356
Total General Fund				(296,240)				1,245,004	1,307,200				27,684	*	1,865,305
Special Revenue Fund:															
N.J. Nonpublic Aid:												*		*	
Textbook Aid	13-100-034-5120-064	7/1/12-6/30/13	4,174		206						206	*		*	4,174
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	4,004					4,004	3,400			*	604	*	3,400
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	7,102					7,102	7,102			*		*	7,102
Technology Aid	14-100-034-5120-373	7/1/13-6/30/14	1,460					1,460				*		*	1,460
Total Special Revenue Fund					206			12,566	11,962		206		604	*	16,316
Debt Service Fund:															
Debt Service Aid Type II	14-495-034-5120-017	7/1/13-6/30/14	88,437					88,437	88,437			*		*	88,437
								88,437	88,437			*		*	88,437
Total State Financial Assistance															
			\$ (296,240)		206			1,346,007	1,407,599		206	*	604	27,684	1,969,803

See accompanying notes to schedules of expenditures for federal and state awards.



**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Englewood Cliffs School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and the special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$-0- for the General Fund and \$-0- for the Special Revenue Fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$1,307,200	\$1,307,200
Special Revenue Fund	143,463	11,962	155,425
Debt Service Fund		88,437	88,437
Food Service Fund	<u>3,115</u>	<u></u>	<u>3,115</u>
Total Awards and Financial	<u>\$146,578</u>	<u>\$1,407,599</u>	<u>\$1,554,177</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2014. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

**NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$402,772 of on-behalf payments is excluded from major program determination.

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified?            yes       X       no
2. Significant deficiencies identified that are  
not considered to be material weaknesses?            yes       X       none reported

Noncompliance material to basic financial  
statements noted?            yes       X       no

**Federal Awards**

Not Applicable

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?       X       yes            no

Type of auditor's report issued on compliance for major programs: unmodified

Internal Control over major programs:

1. Material weakness(es) identified?            yes       X       no
2. Significant deficiencies identified that are not  
considered to be material weaknesses?            yes       X       none reported

Any audit findings disclosed that are required to be reported  
in accordance with NJ OMB Circular Letter 04-04?            yes       X       no

Identification of major programs:

**GMIS Number(s)**

14-495-034-5095-002

**Name of State Program**

T.P.A.F. Social Security

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(continued)**

*Section II - Financial Statement Findings*

None

*Section III - State Financial Assistance Findings and Questioned Costs*

None

**BOROUGH OF ENGLEWOOD CLIFFS SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Status of Prior Year Findings**

Corrective action was taken on all prior year findings.